



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

DRAFT

Drug Control and System Improvement Office of Justice Programs Grants

Policy and Procedure Guide for CTED Applicants and Subrecipients of OJP Funding

April 2004 (Revision 4)

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Director

Acknowledgement of Federal Funding

This project is supported by Award. No. 2003-DB-BX-0056, awarded by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice. The opinions, findings, and conclusions or recommendations expressed in this publication are those of the author and do not necessarily reflect the views of the Department of Justice.

FORWORD

The Department of Community Trade and Economic Development (CTED) provides statewide leadership in developing the capacity to prevent and control drug trafficking and it's related criminal activities, prevent substance abuse for chemically addicted persons when incarcerated; promotes deferral to incarceration for treatment, assists crime victims, and promote safe and healthy communities. The Safe and Drug-Free Communities Unit (SDFC) provides staffing to the statewide Edward Byrne Memorial Grant (BYRNE Grant) Committee. CTED is the State Administering Agency (SAA) for the BYRNE Grant awarded by the Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA). As the SAA, other OJP Grants are administered by CTED also.

The Office of the Comptroller OJP provides policy guidance, control and support services to the OJP's Program Offices and Bureaus in accounting and in the financial management of grants. These services are extended to CTED as the recipient of the BYRNE Grant in Washington State, and in turn, services are extended to sub-recipients throughout the state who contract for services in BYRNE and other OJP-funded projects.

CTED's OJP-Funded Grants *Policy and Procedures Guide* serves as a primary reference manual to assist contractors and applicants to projects, in fulfilling their fiduciary responsibilities to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. The guide should serve as a day-to-day management tool for OJP award recipients and sub-recipients in administering their grant programs. The provisions of this guide apply to all OJP-Funded programs and projects awarded by the Safe and Drug-Free Communities Unit of the Department of Community, Trade and Economic Development (CTED).

For additional information on grants management, please call the OJP Grant Program Manager at (360) 725-3033 or, visit the BYRNE Grant webpage, part of SDFC Unit's website at URL: <http://www.cted.wa.gov/DesktopDefault.aspx?tabid=552&tabindex=0>. Current circulars and federal common rules are also available through the OMB website address, <http://www.whitehouse.gov/OMB/grants/index.html> to obtain copies.

We are pleased to respond to questions whether or not this guide covers them. We welcome suggestions to improve the utility of the guide and its content. Please feel free to contact the BYRNE Grant staff at (360) 725-3026 with any financial management questions or suggestions for revisions. In addition, questions and comments can be directed to the BYRNE Grant staff via e-mail from the website, or e-mail to:

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CHAPTER I – GENERAL PROGRAM INFORMATION

SECTION 1 - Principles of OFFICE OF JUSTICE PROGRAMS (OJP) Grants:

This document is provided for the use of all recipients and their sub-recipients of Federal grant programs administered by the Office of Justice Programs and awarded to the Department of Community, Trade and Economic Development (CTED), Safe and Drug-Free Communities Unit (SDFC). This Guide is to serve as the primary reference for financial management and grants administration. Specific organizations and individuals that are to use this Guide include:

1. Direct Recipients (CTED is the State's direct recipient for the Byrne Grant award).

- a. Block grant, Formula grant and Direct grant recipients shall adhere to the provisions of this guide.
- b. Programmatic and technical requirements for direct, block and formula grants are contained in the program guidelines.

2. Sub-Recipients

- a. Units of government and other organizations receiving Federal financial assistance from CTED shall adhere to applicable State laws and procedures.
- b. The federal circulars and government-wide common rules to that organizational type should also apply.

3. Individual Users

- a. Individuals from the above organizations who may use this guide include: administrators, financial management specialist, grants management specialist, accountants, and auditors.
- b. These individuals are to use the guide as their financial policy reference in executing their duties under agency-funded programs and projects.
- c. Additionally, the document is structured to serve as a training manual for persons new to OJP grants and applications.

4. Contractors

- a. This guide is specifically provided to contractors to ensure that agency funded projects are managed according to a preferred set of rules and that those rules are available during the pre-award, award, application phase, contract phase, and the post-contract phases.

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- b. Recipients and sub-recipients to agency-funded projects should also use this guide to ensure that monitoring of organizations under contract to them is performed in a manner that will ensure compliance with their overall financial management requirements.

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SECTION 2 – Common Requirements

1. OMB Circulars

This guide incorporates by reference the provisions of the Office of Management and Budget (OMB) circulars applicable to grants. These circulars include the following:

- Administrative Requirements:
 - OMB Circular A-102 “Grants and Cooperative Agreements with State and Local Governments,” Revised October 7, 1994.
 - OMB Circular A-110 “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations,” revised November 19, 1993 (codified at 28 CFR Part 70).
- Cost Principles:
 - OMB Circular A-21 “Cost Principles for Educational Institutions,” revised April 26, 1996 (codified at 28 CFR Part 66, by reference).
 - OMB Circular A-87 “Cost Principles for State, Local, and Indian Tribal Governments,” revised May 4, 1995 (codified at 28 CFR Part 66, by reference).
 - OMB Circular A-122 “Cost Principles for Non-Profit Organizations,” revised May 8, 1997 (codified at 28 CFR Part 66 by reference).
- Audit Requirements:
 - OMB Circular A-133 “Audits of States, Local Governments and Non-Profit Institutions,” revised June 30, 1997 (codified at 28 CFR Part 66 & Part 70).

2. Government-wide Common Rules

This guide incorporates by reference the provisions of the Office of Management and Budget (OMB) Government-wide common rules applicable to Block and Formula grants. These rules include the following:

- “Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Units of Governments,” dated March 11, 1988 (codified at 28 CFR Part 66). (Grants Management Common Rule for State and Local Units of Governments.)

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- “Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-free Workplace (Grants)” (codified at 28 CFR Part 67).
- “New Restrictions on Lobbying” (codified at 28 CFR Part 69).

For additional information on grants management and to obtain current copies of circulars and common rules, please visit the OMB website at <http://www.whitehouse.gov/omb/grants/index.html>.

3. OJP Grants Common Requirements

OJP Website: <http://www.ojp.usdoj.gov/BJA/>

a. Project Concept

Each contractor must know and be able to clearly express the problem they face and their planned response to the problem. Specifically:

- 1) The issues involved
- 2) To which issues they will apply grant funds requested.
- 3) How will each issue be addressed with the funds applied.
- 4) How grant-funded outcomes will compare to non-grant funded outcomes for the issues involved in the problem statement.
- 5) What is expected to be achieved with the funds applied in the project.
- 6) And, what had been achieved previously.
- 7) This normally constitutes the statement of work for the contractor and further:
 - i. Programs supported by grant funds are to address approved prioritized state and local strategies that fall within the authorized purpose and uses of the grant program funding its implementation and continuation.
 - ii. A project must have a purpose, which sets out to achieve one or more goals that, in turn, are measurable statements of the project’s purpose.
 - iii. Each goal must have at least one objective that is a quantifiable statement of what the goal would achieve when completed.

b. Structuring the Project

Project Topic	Description
Problem Statement	Defines the problem as objectively as possible. The problem statement has been referred to as the “statement of work” and contains the functional areas to achieve as well as the critical elements to be accomplished.
Project Description	Usually a narrative description of the general approach or strategy for providing services for each of the functional areas of responsibility. It includes a description of the method used by your project to achieve the programs’ purpose.
Project Goals	Generally broadly stated outcomes to be achieved in the process of implementing a particular project strategy or methodology.
Objectives	These are measurable statements of anticipated outcomes.

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	Objectives are linear in nature, most effective when describing singular efforts to be achieved with the level of achievement required to declare success for the step or act described.
Critical Elements	A component of the project descriptive of an act, physical object, targeted activity, or outcome that moves the project from stage-to-stage and is essential to the success of the project.
Indicators (Performance Measures)	Activities, documents, dimensions, and sub-elements that are critical to the success of the project. Indicators are the tangible items or statements of policy and their outcomes once implemented, that are measurable, comparable unique that provide for the determination of significance for that aspect of a objective it describes.

Table 1: Project Structure.

c. Coordination Within the Project

Grants must operate on the premise that coordination is an element essential to:

- i. Place limited resources where they will be most effective
- ii. Align efforts for maximum impact achievement
- iii. Address all funded aspects of the problem
- iv. Avoid duplication of effort and address the problem directly.

d. Applicability of Rules

- i. Funds – All elements of this guide apply to grant related funds (Grant funds awarded, Match funds contributed, and Program Income funds, if generated).
- ii. Dedication of Funds – Property and labor must be dedicated exclusively to grant activities to the extent that they are supported by grant, match or, program income.

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4. Special Requirements by Grant Source

a. EDWARD BYRNE MEMORIAL FORMULA GRANT – CFDA No. 16.579.

AUTHORIZATION: Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, Section 501 et seq., codified as amended at 42 USC 3750 et seq.

OBJECTIVES: To reduce and prevent illegal drug activity, crime and violence and to improve the functioning of the criminal justice system.

USES AND USE RESTRICTION: Funds may be used to provide additional personnel, equipment, facilities (including upgraded and additional Law Enforcement Crime Laboratories), personnel training and equipment for more widespread apprehension, prosecution and adjudication of persons who violate State and local laws relating to the production, possession and transfer of Controlled Substances and to improve the Criminal Justice System. Outlined in the Act are other specific purposes for which funds can be used. The Act restricts these funds for supplanting State and local funds and land acquisition, and construction other than penal or correctional facilities.

ELIGIBILITY REQUIREMENTS: Applicant Eligibility: The State of Washington as represented by CTED. All units of local government (generally counties), Federally Recognized Indian Tribal organizations, and Certain Non-Profit organizations may apply for program or project funding.

Costs will be determined in accordance with OMB Circular No. A-87, for State and Local Governments.

FORMULA AND MATCHING REQUIREMENTS: The state (represented by CTED) may submit application to the Department of Justice, Office of Justice Programs, and Bureau of Justice Assistance (BJA) for formula funds allocated to the State of Washington. Funds from the Act may be used to pay up to 75 percent of the cost of a program or project. The remaining non-federal share will be provided in cash. Match for the formula grant programs will be provided for on a project-by-project basis, statewide basis, unit-of-government basis, or a combination of the above. Requests will be contained in the application.

Funds distributed to an Indian tribe which performs law enforcement functions (as determined by the Secretary of the Interior) for any program or project described in the Act shall be 100 percent of such costs.

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b. PAUL COVERDALE NATIONAL FORENSICS SCIENCES IMPROVEMENT
ACT GRANT – CFDA 16.560

AUTHORIZATION: Funds may be used to improve the quality, timeliness, and credibility of forensic science services for criminal purposes.

OBJECTIVES:

USES AND USE RESTRICTIONS:

Funds crime laboratories and medical examiners offices based on population and crime statistics and permits funding for expenses related to facilities, personnel, computerization, equipment, supplies, accreditation, certification, and education and training.

In general, the NFSIA program provides funding to crime laboratories and medical examiners' offices based on population and crime statistics. The program permits funding for expenses related to facilities, personnel, computerization, equipment, supplies, accreditation, certification, education, and training. NFSIA requires that States and Territories receiving a grant under the program use the award to carry out all or a substantial part of a program to improve the quality and timeliness of forensic science or medical examiner services in the State. Included are services provided by laboratories or medical examiner's offices operated by the State and those operated by units of local government within the State. Funds may not be used for any general law enforcement or non-forensic investigatory function.

After a Congressionally enacted rescission of 0.65 percent, a total of \$4,967,500 is available for the NFSIA program for Fiscal Year 2003. Award amounts are predetermined according to the allocation criteria set forth in 42 U.S.C. § 37971 [section 2803(a)] for each fiscal year. Because funding distribution is based on fiscal year allocation, grant eligibility for all States will expire at the end of the 2003 fiscal year. Therefore, States and units of local government that do not qualify, or that choose not to submit an application for the FY2003 NFSIA program by the June 30, 2003, deadline, will not be eligible to receive funds under the Fiscal Year 2003 program. Allocation criteria set forth in 42 U.S.C. § 37971 [section 2803(a)] are as follows:

Formula Grant: Population-based Allocation

Seventy-five percent (\$3,725,625) of the total amount made available to carry out the program shall be allocated to each State that meets the required elements of the program, so that each State receives an amount based on population statistics. (See Section VI of this announcement.)

The following examples may be considered when developing applications. These examples are not meant to be inclusive, but rather may be used for guidance when assessing needs and determining the best approach for enhancing overall efficiency and productivity.

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Expenditures from the population allocation may include the following:

Laboratory and Computer Equipment: Under this category, NFSIA funds may be used for: upgrading, replacing, and purchasing laboratory equipment, instrumentation, and computer hardware or software for forensic analyses and data management; automation or semi-automation of analytical tasks currently performed manually (e.g., robotics, auto-samplers to laboratory instrumentation, expert systems); replacement of manual documentation and record keeping processes with automated or electronic systems (e.g., bar code labeling of evidence, Laboratory Information Management Systems); outsourcing analytical or relevant administrative or quality assurance and quality control tasks (e.g., equipment calibration) where outsourcing can be shown to improve efficiency or economy; or, upgrading analytical instrumentation, computer equipment, or software to allow faster, more robust analyses or provide improved abilities to import data or interface with other systems.

Supplies: NFSIA funds may be used to acquire laboratory supplies for analyses and validation studies, and for other expenses directly attributable to forensic analyses. Funds may be used for purchasing instrumentation or computer equipment to increase concurrent analytical or data analyses; purchasing additional frequently used items (e.g., pipettors, microscopes, hoods) to reduce delay in performing essential parts of the testing process; purchasing improved or upgraded test kits, reagents, or other supplies or support items that will allow increasingly comprehensive or discriminatory information to be obtained from evidentiary samples; and implementing methods that will more thoroughly or efficiently screen evidentiary items to locate probative samples for subsequent laboratory analysis (e.g., alternate light source).

Personnel: Although NFSIA funds may not be used for salaries and or wages for State and local personnel, funds may be used for costs associated with personnel, such as overtime, fellowships, visiting scientists, interns, consultants, or contracted staff.

Facilities: NFSIA funds may be used for the construction or renovation of facilities that will improve the effectiveness or efficiency of forensic laboratory operation. For example, benches, cabinets, interior dividing walls, evidence storage rooms, or extraction rooms can be funded when it can be demonstrated that such construction will improve the efficiency of the laboratory. Funds may also be used for facilities construction, including short-term and long-term evidence storage facilities, amplification rooms, evidence examination and preparation rooms, drying rooms, walk-in freezers, ballistic test ranges, etc.

Accreditation and Certification: NFSIA funds may be used, in whole or in part, to prepare and apply for accreditation by ASCLD-LAB, NAME, or other appropriate certifying bodies by not later than 2 years after the date on which a grant is initially awarded. It is further expected that applicants seeking certification and accreditation will remedy any deficiencies obstructing certification or accreditation within 1 year of notification of the deficiencies.

Education and Training: NFSIA funds may be used for appropriate internal and external training and continuing education/training opportunities as they relate to maintaining appropriate accreditation. Funds may also be used to increase the number of fully trained analysts while minimizing use of existing personnel resources for

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training support. The application should demonstrate that the training is directly applicable to the job position and duties of the individual(s) receiving the training. Note: Not more than ten percent (10 percent) of the total amount of a grant awarded under this program may be used for administrative expenses.

If NFSIA funds are to be used to construct a new facility, a specific description of that facility must be submitted as an appendix of the application, and must include estimated costs and a certification that the amount of the grant used for the costs of the facility will not exceed the following limitations:

States receiving the minimum grant amount, \$29,805 (0.6 percent of the total amount made available for this fiscal year—\$4,967,500), shall not use more than 80 percent of the total amount of the population-based allocation for the cost of any new facility constructed as a part of this program. States receiving grants that exceed \$29,805 shall not use more than 80 percent of this amount, and not more than 40 percent of the amount of the grant in excess of this amount for the costs of any new facility construction. For example, if your State is eligible for \$100,000 under the population-based allocation and you wish to use a portion of the grant for facility construction, the following calculation would be used:

$\$29,805 \times .80 = \$23,844$

$\$100,000 - \$29,805 = \$70,195$

$\$70,195 \times .40 = \$28,078$

$\$23,844 + \$28,078 = \$51,922$ can be used for facility construction.

ELIGIBILITY REQUIREMENTS

I. Formula Funding Applications (States and Territories Only)

Requests from eligible States and Territories for formula funding must be submitted through State Administering Agencies (SAAs) via the Office of Justice Programs (OJP) Grants Management System (GMS). Each State or Territory submitting an application for formula funding that meets the conditions and requirements of the program will receive an award based on the population of that State or Territory. (See [Section VI](#) of this announcement for population-based allocation information.)

How to Apply

You must submit your application(s) through OJP's automated **Grants Management System (GMS)**, an online system accessible through the Internet. It is intended to expedite and streamline the receipt, review, and processing of applications. We will accept your final application only through the online GMS application system. Call the GMS Hotline toll-free to receive technical assistance about the online application process: 1-888-549-9901. You may access the GMS Hotline Monday through Friday between 7 a.m. and 9 p.m. eastern time. To use the GMS system, complete the following steps:

Step 1.

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On the Internet, go to <http://www.ojp.usdoj.gov/fundopps.htm>. Here, you may link directly to OJP's Grants Management System (GMS). An online **GMS Application Procedures Handbook** is also available on this page. We strongly encourage you to review this handbook before beginning your GMS electronic application, as it includes step-by-step instructions for the application process.

Step 2.

Select **"Logon Directly to the Grants Management System (GMS)"** to apply for grant funding.

Step 3.

If you have not previously used GMS, click on **"New User? Register Here"** and follow the on-screen instructions to register with GMS. After you register, select **"NFSIA Formula FY 2003"** for formula grant applications and **"NFSIA Discretionary FY 2003"** for discretionary applications. (See [Section III—Eligibility](#)—to determine your eligibility for discretionary funding.)

If you are not a new user and have a GMS password, click on **"Login."** If your password has expired, an "Authentication Error" or "Unauthorized User" message will appear on the screen. In this case, click on "Having Login Problems?" for assistance in updating your password.

Please Note: Applicants must ensure that the information about the authorizing official and the alternate contact is entered correctly. The authorizing official is the individual authorized to accept grant funds in your organization (e.g., executive director, attorney general, governor). If the individual applying online is not the signing authority, that individual *must* list the authorizing official's name and contact information where appropriate.

Step 4.

Complete the online application, including the three required file attachments: Budget Detail Worksheet, Program Narrative, and Other Program Attachments (other forms required by NIJ). See below for details on creating each of these attachments. After you submit the final application, the online system will inform you that the application has been received and sent to NIJ. The GMS system will provide an application identification number for future reference.

Note: It is OJP's practice to accept documents through GMS and to consider the entire submission to be under the GMS applicant's online, electronically signed, submission of the grant application package. Thus, signatures are not required on forms included in Other Program Attachments.

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If you have questions about GMS or need technical assistance with applying online, contact the **GMS Hotline at 1-888-549-9901, Monday-Friday, 7 a.m. to 9 p.m. eastern time** (except Federal holidays).

Required Forms and Documents

Individuals interested in submitting proposals in response to this announcement must complete the required application forms and related documents. You will complete some of the forms shown as part of the development of your user profile during the GMS online application process; others must be attached to your application file on GMS (**GMS will not accept zip files or executable files**). **Note:** Proposals containing maps, tables, digital photos, and other types of graphics will produce large file sizes that may affect the speed of electronic transfer. Please take this into consideration when submitting your proposal online.

Please use the "Checklist for Application" at http://www.ojp.usdoj.gov/nij/checklist_for_application.pdf to ensure that your application is complete.

National Environmental Policy Act Requirement. All award recipients must comply with the National Environmental Policy Act (NEPA) (Public Law 91-190, codified at 42 U.S.C. § 4321 et seq.). To ensure NEPA compliance, NIJ may require some award recipients to submit additional information.

Program Narrative. The program narrative addresses the project objectives, the expected results, and the implementation approach. The program narrative must specifically describe how expenditures of grant funds will augment the implementation or utility of the consolidated State forensic science plan. The program narrative should also demonstrate, specifically and comprehensively, how requested funds will improve laboratory efficiency and productivity *over current operations*. The program narrative must not exceed 30 double-spaced pages, no matter the amount of funding.

Proposal Abstract. The proposal abstract is a very important part of the application. When read separately from the rest of the application, the abstract should serve as a succinct and accurate description of the proposed work. Applicants should concisely describe project goals and objectives, project plans, and methods for achieving the goals. Once an award has been granted, the abstract is computerized and serves as a summary available to all interested parties for the duration of the grant.

Due Date. Complete proposals must be submitted through the online GMS application system by 9 p.m. eastern time on **June 30, 2003**. Extensions to this deadline are not permitted. **NIJ will not accept faxed or mailed proposals**, NIJ reserves the right to reject incomplete applications, those not responsive to the scope of this announcement, or those not complying with format requirements.

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Guidance and Information. Applicants who want additional guidance and information may contact the U.S. Department of Justice Response Center at 800-421-6770. Center staff can provide assistance or refer applicants to an appropriate NIJ professional. Applicants who have questions about GMS or need technical assistance with applying online can contact the **GMS Hotline at 1-888-549-9901**, Monday-Friday, 7 a.m. to 9 p.m. eastern time (except Federal holidays).

Confidentiality of information and human subjects protection. NIJ has adopted new policies and procedures regarding the confidentiality of information and human subjects protection. Details on the requirements are available at <http://www.ojp.usdoj.gov/nij/humansubjects/index.html>. (NFSIA projects do not usually involve activities that fall within the purview of privacy and human subjects rules and regulations. You may, however, still consider reading these policies and procedures in order to determine if your planned activities fall within these rules).

Record Maintenance and Access. Each State or local unit of government within the State that receives funding under this program will maintain records relating to the receipt and use of the total grant amount. The Attorney General and the Comptroller General of the United States (or designee thereof) will have access to these records for audit and examination purposes.

Reporting Requirement. NFSIA requires each State that receives a grant to submit a report within 180 days of the end of the award period. The report will include a summary and assessment of the program carried out with the grant, and will cite the average number of days between submission of a sample to a forensic science laboratory and delivery of test results to a requesting office or agency.

This requirement is in addition to other OJP grant reporting requirements. See the OJP Office of the Comptroller's "Post Award Instructions" Web page (<http://www.ojp.usdoj.gov/oc/postaward>) for more details.

Performance Measures. To ensure compliance with the Government Performance and Results Act (Public Law 103-62), this solicitation notifies applicants that NIJ's performance under this solicitation is measured by the number of forensic labs with improved analytic and technological resources. Award recipients will be required to collect and report data in support of this measure.

Award Period. In general, NIJ limits its grants under this program to a maximum period of 12 months.

Number of Awards. NIJ anticipates supporting every State and Territory that submits an application that meets the required elements of the program and follows the guidelines for limitations and restrictions for use of funds.

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Award Amount. Awards totaling \$4,967,500 will be made available for this NIJ program. Of this amount, \$3,725,625 will be available for the formula program and \$1,241,875 will be available for the discretionary program.

FORMULA AND MATCHING REQUIREMENTS

NFSIA requires that the State or Territory applying for funding submit a certification that the State or Territory has developed a coordinated State plan for forensic science or medical examiner laboratories. The plan should specifically describe how the proposed funding would improve the quality or timeliness of forensic science or medical examiner services in the State or Territory. This State plan should be attached to the application. This program does not require State matching funds.

Applications for formula funding must be submitted through the designated State Administering Agency (SAA). Since the funds received through NFSIA are to be used to improve the quality, timeliness, and credibility of forensic science services for criminal justice purposes, NIJ requires certification that the State or Territory has either:

An established forensic science laboratory or laboratory system that:

Employs one or more full-time scientists whose principal duties are the examination of physical evidence in criminal matters for law enforcement agencies and who provide testimony to the criminal justice system with respect to such physical evidence examinations.

Employs generally accepted practices and procedures, as established by appropriate accrediting organizations.

Is accredited by the American Society of Crime Laboratory Directors-Laboratory Accreditation Board (ASCLD-LAB), the National Association of Medical Examiners (NAME), or other appropriate certifying bodies, or will use a portion of the grant amount to prepare and apply for such accreditation by not later than 2 years after the date a grant is initially awarded.

Or:

A medical examiner's office (as defined by the National Association of Medical Examiners) that:

Employs generally accepted practices and procedures, as established by appropriate accrediting organizations.

Is accredited by the American Society of Crime Laboratory Directors-Laboratory Accreditation Board (ASCLD-LAB), the National Association of Medical Examiners (NAME), or other appropriate certifying bodies, or will use a portion of the grant amount to prepare and apply for such accreditation by not later than 2 years after the date a grant is initially awarded.

Applicants are encouraged to assess all aspects of forensic evidence examination—from crime scene through laboratory analysis—to identify bottlenecks and general inefficiencies that could be alleviated with NFSIA funds. The result of NFSIA funding should be a demonstrated improvement over current operations in the average number of days between submission of a sample to a forensic science laboratory and the delivery of test results to the requesting office or agency.

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c. PROJECT SAFE NEIGHBORHOODS GRANTS

Project Safe Neighborhoods (PSN) is a nationwide commitment to reduce gun crime in America. The effectiveness of PSN is based on the ability of local, state, and federal agencies to cooperate in a unified offensive led by the U.S. Attorney (USA) in each of the 94 federal judicial districts across the United States. Through collaboration with federal, state, and local law enforcement, each USA will implement the five core elements of Project Safe Neighborhoods—partnerships, strategic planning, training, outreach, and accountability—in a manner that is contoured to fit the specific gun crime problems in that district. The goal is to create safer neighborhoods by reducing gun violence and sustaining that reduction.

Fiscal year (FY) 2003 funding is supporting Project Sentry and the Reducing Community Gun Violence Program. Project Sentry provides resources for state and local juvenile justice prosecutors to increase their ability to focus on gun crimes committed by juveniles, and the Reducing Community Gun Violence Program seeks to fund demonstration projects that consist of locally crafted, innovative responses to local needs to reduce gun violence.

AUTHORIZATION: FFY 2003 Consolidated Appropriations Act (Public Law 108-7).

OBJECTIVES To support Neighborhood safety and gun reduction

USES AND USE RESTRICTIONS: Project Safe Neighborhoods is administered online using the Office of Justice Programs [Grants Management System \(GMS\)](#). Each U.S. Attorney district selected a fiscal agent to administer the grant. The full application should be submitted online by June 16, 2003, and awards will be made by September 30, 2003

ELIGIBILITY REQUIREMENTS: Subrecipient eligibility is determined by the PSN Task Force Selection Subcommittee in each of the 94 USA districts. Each district's chosen fiscal agent in turn submits the district's application to BJA.

FORMULA AND MATCHING REQUIREMENTS FY 2003 funding totaling \$60 million was allocated using a formula. Based on the population of each USA's district, anywhere from \$285,000 to \$1.3 million was allocated.

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d. RESIDENTIAL SUBSTANCE ABUSE TREATMENT FORMULA GRANT –
CFDA No. 16.593.

AUTHORIZATION: Omnibus Crime Control and Safeststreets Act of 1968, Title I, Section 1001, as amended, Public Law 90-351, Public Law 103-322, Section 32101, 42 USC 3796ff, et seq.

OBJECTIVES: To assist States and units of local government in developing and implementing residential substance abuse treatment programs within State and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment.

USES AND USE RESTRICTIONS: The Residential Substance Abuse Treatment formula grant funds may be used to implement residential substance abuse programs that provide individual and group treatment activities for offenders in residential facilities operated by State and local correctional agencies. These programs must:

- (1). Last between 6 and 12 months for state prison sites and, 3 and 12 months for local correctional sites;
- (2). Be provided in residential treatment facilities set apart from the general correctional population;
- (3). Focus on the substance abuse problems of the inmate; and
- (4). Develop the inmate's cognitive, behavior, social, vocational and other skills to solve the substance abuse and related problems.

Grant funds shall not be used for land acquisition or construction projects.

ELIGIBILITY REQUIREMENTS: CTED is the State's Single point of Contact and the State Administrative Agency for RSAT. CTED may award sub-grants to state agencies and units of local government. Applicant must agree to implement or continue to require urinalysis and/ or other proven reliable forms of drug and alcohol testing of individuals assigned to residential substance abuse treatment programs in correctional facilities.

State and local correctional agencies will implement programs to provide treatment to incarcerated offenders.

DOCUMENTATION: CTED must submit application for Federal assistance to DOJ/ OJP Bureau of Justice Assistance (BJA). The state application will include the goals of the program, the implementation process, time table for implementation, how the state will coordinate substance abuse treatment activities at the state and local levels, and the State's law or policy requiring substance abuse testing of individuals in correctional residential substance abuse treatment programs.

FORMULA AND MATCHING REQUIREMENTS: Grant funds are based on prison populations of Washington to the Total U.S. prison population and a percentage of

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the total federal funds available. CTED distributes the Federal share to applicants for project costs that may not exceed 75 percent of the total costs of the project. The 25 percent matching funds must be on the form of a cash match.

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e. LOCAL LAW ENFORCEMENT BLOCK GRANT – CFDA No. 16.592.

AUTHORIZATION: FY 2001 Appropriations Act, Public Law 106-553.

OBJECTIVES: To provide funds to units of local government for the purposes of reducing crime and improving public safety. Funds may be used for one or more of the seven purpose areas. (See Uses and Use Restrictions). Funds or a portion of funds allocated under this title may also be used to contract with private, nonprofit entities or community-based organizations to carry out the purposes of this Block Grants Program. BJA will also make awards to States based on the allocation formula specified in the legislation.

USES AND USE RESTRICTIONS: Funds may be used for one or more of the following purpose areas:

- (1). Law enforcement support for hiring, training, and employing on a continuing basis new, additional law enforcement officers and necessary support personnel; paying overtime to presently employed law enforcement officers and necessary support personnel; and procuring equipment, technology, and other materials directly related to basic law enforcement functions;
- (2). Enhancing security measures in and around schools, and in and around any other facility or location that the unit of local government considers a special risk for incidents of crime;
- (3). Establishing or supporting drug courts;
- (4). Enhancing the adjudication of cases involving violent offenders, including cases involving juvenile offenders. For the purposes of this program, violent offender means a person charged with committing a Part I violent crime under the Uniform Crime Reports;
- (5). Establishing a multi-jurisdictional task force, particularly in rural areas, composed of law enforcement officials representing units of local government; this task force will work with Federal law enforcement officials to prevent and control crime;
- (6). Establishing crime prevention programs involving cooperation between community residents and law enforcement personnel to control, detect, or investigate crime or the prosecution of criminals; and
- (7). Defraying the cost of indemnification insurance for law enforcement officers. Units of local government may not expend funds provided under the Block Grants Program to purchase, lease, rent, or acquire any of the following: tanks or armored vehicles; fixed wing aircraft; limousines; real estate; yachts; consultants; and vehicles

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not primarily used for law enforcement. In addition, Federal funds cannot be used to supplant State or local funds, but instead to increase the amount of funds that would be available otherwise from State and local sources.

ELIGIBILITY REQUIREMENTS: Funding under this program is available to units of local government within a State. A unit of local government is a town or township, village, city, or county or recognized governing body of an Indian tribe or Alaska Native village that carries out substantial governmental duties and powers. Each unit of local government must report Uniform Crime Report (UCR) data so as to determine amounts of allocation. These data must reflect Part I violent crimes, which are murder, aggravated assault, rape, and robbery, that have been committed in each eligible jurisdiction.

DOCUMENTATION: Applications for funding under the Block Grants Program must also be submitted to the State Administrative Agency and the Single Point of Contact for review and comment at the time of application submission to BJA for jurisdictions applying for direct funding. For jurisdictions within the State, application can be made to the Washington Association of Sheriffs and Police Chiefs (WASPC) that is administering the LLEBG Program for CTED, the State Administrative Agency. Each unit of local government applicant, by completing the grant application, and by accepting a Block Grants award, agrees to certify:

- (1). That a trust fund to deposit all Federal payments received under the Block Grants Program has been established;
- (2). That prior to the obligation of any funds received under the Block Grants Program, an advisory board that includes representatives of groups with recognized interests in criminal justice and crime or substance abuse prevention and treatment has been formed. The advisory board must review the application for funding under the Block Grants Program and it must be authorized to make non-binding recommendations to the unit of government for the use of funds received under this program.
- (3). That at least one public hearing has been held regarding the proposed use of Block Grant funds prior to the obligation of any funds received;
- (4). That the funds required to pay the nonfederal portion of the cost of each program will be made available for expenditure during the grant period. This certification is made by including the total match amount on the application form and providing a certification;
- (5). That Block Grant funds and any interest deriving there from within 24 months of the date of the initial payment are obligated and expended. Any funds and interest that remain un-obligated or unexpended at the end of the 24 months from the date of initial payment shall be returned to BJA within 27 months of the initial payment;

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- (6). That they will comply with nondiscrimination requirements contained in various Federal laws. If funded, grantees must acknowledge that failure to submit an acceptable Equal Employment Opportunity Plan approved by the Office for Civil Rights is a violation of its certified assurances and may result in the suspension of funding obligation authority;
- (7). That persons employed by the recipient are eligible to work in the United States;
- (8). That funds awarded will not be used to supplant State and/ or local funds that would otherwise be available for crime prevention and public safety;
- (9). That they will provide such accounting, auditing, monitoring and evaluation procedures as may be necessary, and keep such records as the Office of Justice Programs may prescribe, to assure fiscal control, proper management and efficient disbursement of Federal funds;
- (10). That priority will be given to members of the Armed Forces who were separated or retired involuntarily due to the reductions in the Department of Defense in the employment of persons as additional law enforcement officers or support personnel;
- (11) That they have a law in place which ensures that public safety officers who retire due to a disability sustained in the line of duty receive the same of better health insurance benefits as such officers receive while on active duty. Failure to provide such health benefits will result in the jurisdiction forfeiting 10 percent of their award;
- (12). That they will submit financial and progress reports concerning the activities carried out with the Federal funds received and will maintain and report such data and information as required;
- (13). That they adhere to the audit and financial management requirements set forth in the Single Audit Act of 1984 and OMB Circular No. A-128, Audits of State and Local Governments;”
- (14). The information in the application is correct and that they will comply with all applicable provisions of the Omnibus Fiscal Year 1996 Appropriations Act and other Federal Laws, regulations, and Circulars. Costs will be determined in accordance with OMB Circular No. A-87 for State and local governments and;
- (15). That they will comply with requirements under 28 CFR Part 69, “New Restrictions on Lobbying,” and 28 CFR, Part 67, “Government-Wide Debarment and Suspensions (Non-procurement) and Government-Wide Requirements for Drug-Free Workplace (Grants).”

FORMULA AND MATCHING REQUIREMENTS: The Federal funds provided under a grant for the Block Grants Program may not exceed 90 percent of the total costs of a program. The applicant’s matching share must be in the form of cash. The

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amount of the required match can be computed by calculating one-ninth of the Federal portion of program costs. The Federal amount plus the match should be combined to equal the total program cost. The matching requirement is only applicable to the amount of the Federal award, not to any interest or income derived there from. The applicant must certify, as part of its application that the funds required to pay the non-Federal portion of the cost of each program will be made available for expenditure during the grant period. This certification is made by including the total match amount on the application form and signing the certified assurances document. Regardless of the source of match, it must be spent during the period of the Block Grant. All grantees must maintain records that clearly show the source, the amount, and the timing of all matching contributions. There is no waiver provision for the match. Allowable sources of the match include funds from the following:

- (1). States and local units of government;
- (2). Housing and Community Development Act of 1974;
- (3) Appalachian Regional Development Act;
- (4). Equitable Sharing Program (Federal asset forfeiture distribution to State and local officials);
- (5). Private funds.

5. CONFLICTS OF INTEREST

a. ADVICE:

No official or employee of a state or a unit of local government or a non-governmental recipient/sub-recipient shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award, cooperative agreement, claim, controversy. Or other particular matter in which award funds (Including program income or other funds generated by Federally funded activities) are used, where to his her knowledge, he/she or his/her immediate family, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment, has a financial interest, or has less than an arms-length transaction

b. APPEARANCE:

In the use of federal funds awarded through CTED, Officials or employees of state or local units of government and non-governmental recipients/sub-recipients

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shall avoid any action which might result in, or create the appearance of:

- i. Using his or her official position for private gain;
- ii. Giving preferential treatment to any person losing complete independence or impartiality
- iii. Making an official decision outside official channels; or
- iv. Affecting adversely the confidence of the public in the integrity of the government or the program.

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CHAPTER II - PRE-AWARD REQUIREMENTS

SECTION 1 – Application Process

1. Eligible Recipients

Block and formula grant funds may be awarded to state agencies or units of local government and non-profit organizations based upon statutory authority.

2. Program Announcements

Programmatic and technical requirements relating to block and formula grant applications are contained in block and formula grant guidelines for application from CTED. CTED will announce programs that it has developed for funding under the various Federal Office of Justice Program Grant Awards. Applications will be posted to the CTED website and known eligible entities will be notified of the pending application process via e-mail, and the U.S. Postal services.

3. Certified Assurances (Non-Discrimination Requirements)

State agencies and units of local government and non-profit organizations applying for OJP grant funds must assure and certify that they comply and assure the compliance of their sub-recipients with all applicable civil rights non-discrimination requirements as set forth on the Office of Justice Programs *Assurances Form 4000/3*.

In the event that a recipient or sub-recipient has a finding of discrimination after a due process hearing on the grounds of race, color, national origin, sex, or disability against a recipient of Federal Funds, or any sub-grantee or contractor of that recipient, a copy of such findings must be forwarded to the Office for Civil Rights, Office of Justice Programs.

All recipients and their sub-recipients must also provide the Office for Civil Rights with an Equal Opportunity Plan, if required to maintain one; where the award is \$500,000 or more.

4. Debarment and Suspension Certification

This certification must be completed prior to recommendation for or against an award of OJP funds by CTED. The government-wide common rule for debarment and suspension and drug-free workplace, 28 CFR Part 67, provides guidance on requirements that recipients shall meet in order to receive federal funds.

Debarment and suspension common rule requires that both recipients and their sub-recipients certify they will comply with the debarment and suspension common rule. Sub-contractors are not required to certify if their award is less than \$100,000.

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- a. Title 28 of the Code of federal Regulations (CFR), Part 67, provides that executive departments and agencies shall participate in a system for debarment and suspension from programs and activities involving Federal financial and non-financial assistance and benefits. Debarment or suspension of a participant by one agency has government-wide effect. It is the policy of the Federal Government to conduct business only with responsible persons, and these guidelines will assist agencies that contract with CTED in carrying out this policy.
- b. Certification Regarding Debarment, Suspension, Ineligibility, and Other Responsibility Matters – Primary Covered Transactions (OJP Form 4061/2 or like form). Certifications must be completed and submitted with discretionary awards only. Block and Formula grant recipients are exempt from submission of this form, but CTED is responsible for monitoring sub-recipient submissions of the lower tier certification (OJP Form 4061/1) and for maintaining them at the state level.
- c. Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions (OJP Form 4061/1 or like form). This requirement includes persons, corporations, etc. That has critical influence on or substantive control over the award. The direct recipient will be responsible for monitoring the submission and maintaining the official sub-recipient certifications.

5. Drug-Free Workplace Certification

This certification must be submitted prior to recommendation for or against an award. The government-wide common rule for debarment and suspension and drug-free workplace, 28 CFR Part 67, provided guidance on requirements that recipients shall meet in order to receive Federal funds.

Subpart F of 28 CFR Part 67 implements the statutory requirements of the Drug-free Workplace Act of 1989. All recipients receiving awards from any Federal agency shall certify to that agency that they will maintain a drug-free workplace, or, in the case of a recipient who is an individual, certify to the agency that his or her conduct of award activity will be drug-free. If a recipient makes a false certification, the recipient is subject to suspension, termination, and debarment.

- a. CTED is responsible for administering the block/formula award and shall submit a drug-free workplace certification to the awarding agency and shall be responsible for obtaining a drug-free workplace certification from each state agency that is sub-awarded funds. Sub-recipients that are not state agencies are not required to submit a drug-free workplace certification.
- b. A recipient is required to make the required certification for each award. The one exception to this rule is that a recipient that is a state, including a state agency, may elect to make a single annual certification to each awarding agency from

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which it receives awards, rather than making a separate certification for each award or workplace. Only one such annual certification needs to be made to each Federal agency that will cover all of that state agency's workplaces.

- c. There are two different certifications: one for individuals and one for organizations. The individual recipient certifies that he or she will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in conducting any activity with the award. The organizational recipient certifies that it will provide a drug-free workplace by:
 - i. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the recipient's workplace and specifying the actions that will be taken against employees for violations of such prohibitions.
 - ii. Establishing a drug-free awareness program to inform employees about:
 - 1. The dangers of drug abuse in the workplace;
 - 2. The recipient's policy of maintaining a drug-free workplace;
 - 3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - iii. Making it a requirement that each employee to be engaged in the performance of the award be given a copy of the employer's statement about drugs in the workplace.
 - iv. Notifying the employer that, as a condition of employment under the award, the employee will:
 - 1. Abide by the terms of the statement; and
 - 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace not later than five days after such conviction.
 - v. Notifying the awarding agency within ten days after receiving notice from an employee or otherwise receiving actual notice of such conviction.
 - vi. Taking one of the following actions within 30 days of receiving notice, with respect to any employee who is convicted:
 - 1. Taking appropriate personnel action against such an employee, up to and including termination; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or

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other agency.

- vii. Making a good faith effort to continue to maintain a drug-free workplace.
- d. The drug-free workplace common rule requires that **ONLY** direct recipients of Federal awards certify they will comply with the drug-free workplace common-rule. There is no dollar threshold for certification.

6. Lobbying Certification

This certification must be submitted prior to recommendation for or against an award. The Department of Justice's (DOJ) codification of the government-wide common rule for restrictions on lobbying, 28 CFR Part 69, provides guidance on requirements that recipients shall meet in order to receive Federal funds.

The following restrictions on lobbying are applicable to all recipients and sub-recipients. Interim Final Guidance for New Restrictions on Lobbying was published in the Federal Register in December 1989. The Lobbying Disclosure Act of 1995 included amendments that have an impact on the guidance provided in 1989. Per 31 USC 1352, the restrictions on lobbying are as follows:

- a. No Federally appropriated funds may be expended by the recipient of a federal award, cooperative agreement, or contract to pay a person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; then entering into of any cooperative agreement; and any extension, continuation, renewal, amendment, or modification of any Federal contract, grant, or cooperative agreement.
- b. Each person who requests or receives from an agency an initial Federal award, or cooperative agreement (including subcontracts, sub-awards, and contracts under cooperative agreements (exceeding \$100,000 shall file with the agency a certificate regarding lobbying. The certification shall be submitted to the agency making the award (CTED). Each person is certifying that:
 - i. He/she has not made, and will not make, any payment for a lobbying activity.
 - ii. If any non-Federal funds have been paid or will be paid to any person, he/she will complete and submit a "Disclosure of Lobbying Activities" form (Disclosure Form).
 - iii. The language of this certification will be included in his/her award documents for all tiers (including subcontracts, sub-awards, and contract

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under awards, and cooperative agreements), and all sub recipients shall certify and disclose accordingly.

- iv. Each person, if applicable shall submit the Disclosure Form to the agency making the award. The recipient or sub-recipient is responsible for reporting lobbying activities of its employees if the employee's tenure is less than 130 working days within one year immediately preceding the date of the recipient's or sub recipient's application or proposal submission.
- v. A sub recipient who requests or receives Federal funds exceeding \$100,000 shall be required to file with the agency making the award a certification and a Disclosure Form, if applicable. All certifications shall be maintained by the agency making the award and all Disclosure Forms shall be forwarded from Tier to Tier until received by the Federal agency making the award (OJP). That agency shall forward all Disclosure Forms to the awarding agency. The Disclosure Form shall contain the following information:
 - 1. Name and address of reporting entity;
 - 2. Federal program name
 - 3. Federal award number;
 - 4. Federal award amount; and
 - 5. Name and address of Lobbying registrant.
- c. The above requirements DO NOT apply to Federally recognized Indian Tribes, or tribal organizations, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.
- d. Each person shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any Disclosure Form previously filed by such persons.
- e. Penalties and enforcement of lobbying restrictions shall be as follows:
 - i. Any person who makes an expenditure prohibited by the New Restrictions on Lobbying shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such expenditure.
 - ii. Any person who fails to file or amend the Disclosure Form to be filed or amended, if required, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- f. The common-rule for lobbying requires that recipients and their sub recipients certify they will comply with the lobbying common rule. This requirement is only

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for awards made exceeding \$100,000.

- g. In order to comply with the certification requirements provided in the common rules for Lobbying, Drug-Free workplace, and suspension and debarment (so that the recipients do not have to sign three certifications), we have combined them into OJP Form 4061/6, entitled “Certifications Regarding Lobbying, Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements.”

7. Equal Employment Opportunity Policy Plan Submittal (EEOP)

Federal regulations require recipients of financial assistance from the Office of Justice Programs (OJP), its component agencies and subrecipients to prepare, maintain on file, submit to OJP for review, and implement an Equal Employment Opportunity Plan (EEOP) in accordance with 28 CFR Sections 42.301 – 308. The regulations exempt some recipients from all of the EEOP requirements, Other recipients, according to the regulations, must prepare, maintain on file and implement an EEOP, but they do not need to submit the EEOP to OJP for review. A recipient should complete either Section A or Section B, not both. If a recipient receives multiple OJP grants, complete a Certification form for each grant.

Recipients that claim a complete exemption from the EEOP requirement must complete Section A of the EEOP Certification form generally made available by CTED as part of it’s Application Package(s).

Recipients that claim the limited exemption from the submission requirement must complete Section B of the EEOP Certification form.

Completion of the EEOP Certification form ensures that an EEOP is completed and on file (if applicable) and that it has been prepared within two-years of the latest grant.

Each successful applicant will provide the EEOP Certification form with either Section A or Section B completed to CTED.

8. National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) Compliance.

Recipients of OJP grant funds assist CTED and the OJP in compliance with the NEPA and NHPA and other related federal environmental impact analysis requirements in the use of these grant funds either directly by the sub-grantee or by a subcontractor. As long as the activity needs to be undertaken in order to use these grant funds, this NEPA requirement first must be met whether or not the activities listed below are being specifically funded with these grant funds. The activities covered by this special condition are:

- a. New construction.

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- b.** Minor renovation or remodeling of a property either listed on or eligible for listing on the National Register of Historic Places, or located within a 100-year flood plain.
- c.** Renovation, lease or any other proposed use of a building or facility that will either result in a change in its basic prior use, or significantly change its size.
- d.** Implementation of a new program involving the use of chemicals other than chemicals that are either purchased as an incidental component of a funded activity and traditionally used, for example, in office, household, recreational or educational environments.

9. Policy on awards.

CTED will not make any award to any applicant who has an overdue audit report or an open audit report where the recipient has not attempted to respond or has taken no action to resolve findings. Every applicant for funding is on notice that unless they are in compliance with the audit requirements, their application may be rejected. Exceptions to this policy are by recommendation of the Comptroller, OJP, to the awarding agency.

This completes the federally prescribed eligibility requirements. Individual projects/programs may include additional requirements.

10. Dispute Resolution and Appeals Process.

- a.** Application Appeals:
 - i.** Grounds for Appeal – The following are the only grounds for appeal concerning selection for funding or the amount of funding offered to an applicant prior to contracting:
 - 1. Conflict of Interest by a member of a rating panel convened by the Department.
 - 2. Lack of Due Process or Inequitable Treatment.
 - 3. Inaccurate summation by the Department of submitted information from the applicant.
 - 4. Violation of law or regulation applicable to the grant.
 - ii.** Timing of appeal – Applicants must inform the Department of their intent to appeal a selection/funding decision within five working days after release of the selection/funding decision(s), and the grounds upon which the appeal is to be made. Such notice must be made by direct personal telephonic contact or made by email with the Safe and Drug-Free Communities Unit's Managing Director, the primary staff member assigned to the program (Program Manager), or to the individual designated in the application package to receive the application submitted. The short response period is to allow the Department to stop the award of funds to other agencies if necessary, and to allow the appeals process to proceed in a timely fashion, minimizing the disruption and late award of funds.

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- iii. Appeal Process – Initial consideration of an appeal will be by the Department's Director or Assistant Director. The director may grant the appeal and direct corrective action, make a final decision, or agree to proceed to a Dispute Hearing. Dispute Hearings will be conducted by the Department. Decisions by the Director are final.

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SECTION 2 – Conditions of Award and Acceptance

1. CTED Contracting Policy Requirements

After completion of the internal review process, award applications designated for approval are formally awarded through the issuance of an Award Document. CTED refers to this document as a “contract”. The contract document will follow Washington State law for contracting using guidance put forth by the Attorney General’s Office (AGO), specifically for Contracting, and will use the financial principles established by the Office of Financial Management (OFM). This document includes:

- a. Name of Recipient and sub-recipients (if applicable);
- b. Award Period;
- c. Type of Federal funds;
- d. Amount of Federal funds;
- e. Award number; and
- f. Special conditions, as appropriate, that the recipient/sub-recipient must meet if the award is accepted.

This award notification is applicable to all approved applications. Correspondence concerning the award should refer to the designated award number shown on the Face Sheet of the contract award document, or will be contained on the first sheet of the Interagency Agreement sheet with the award title.

The award document constitutes the operative document obligating and reserving Federal funds for use by the recipient in execution of the program or project covered by the award. Such obligation may be terminated without further cause if the recipient fails to affirm its timely utilization of the award by signing both the award document and special conditions, returning them to CTED within 45 days from the date post marked by CTED. No federal funds will be disbursed to the recipient until the signed acceptance has been received by CTED and executed. Recipients should review and understand all special conditions prior to the acceptance of the award.

Special Conditions include terms and conditions of the award. All awards will include special conditions concerning:

- a. Compliance with this guide
- b. Compliance with audit requirements; and

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- c. The submission of an Equal Employment Opportunity Plan.

Failure to comply with special conditions may result in a withholding of funds.

Also, the recipient, upon accepting the award, agrees to complete and keep on file, as appropriate, the Immigration and Naturalization Service Employment Eligibility Verification form (I-9). This form is to be used by recipients of Federal funds to verify that persons are eligible to work in the United States.

2. Cancellation for Block and Formula Sub-awards.

Block and Formula Grant awards are conditioned with the following cancellation procedures:

- a. Commencement Within 60 Days. If a project is not operational within 60 days of the original start date of the award period, the sub-recipient must report by letter to CTED, the steps taken to initiate the project, the reasons for delay, and the expected start date.
- b. Operational Within 90 Days. If a project is not operational within 90 days of the original start date of the award period, the sub-recipient must submit a second statement to CTED explaining the implementation delay. Upon receipt of the 90-day letter, CTED may cancel the project and request Federal agency approval to redistribute the funds to other projects. CTED may also, where extenuating circumstances warrant, extend the implementation date of the project past the 90-day period. When this occurs, the appropriate sub-award files and records must also note the extension.
- c. Amendment: Any award can be modified based upon available funds and any Grant Award Notice (GAN) received from the federal funding source. Can be unilaterally imposed.

3. Award Documentation.

CTED will issue a letter of intent to contract to successful applicants and enclose the necessary documentation for the applicant to complete, sign and return to CTED for review and execution and a contract document. Typically, a contract package will include for following documents:

- a. Letter of Transmittal
- b. Contract Face Sheet (3 copies)
- c. Contract Budget Detail Narrative worksheets
- d. Statement of Work
- e. Budget
- f. CTED General Conditions
- g. CTED Program Special Conditions

4. Acceptance Procedures

The successful applicant will be required to review, complete the contract package, sign all documents were required, and submit the completed contract package back to CTED

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as quickly as possible. Successful applicants are reminded that their completed application, as previously submitted in the process of qualifying for these grant funds, will automatically be included in the contracting documentation through statements of incorporation by reference. The application is the fundamental building block for detailed description of work and the resources and budget to be applied to the project.

Signature of the contract package constitutes agreement to accept the contract package as is, and to be the contractor for services as described and agreed to in the contract documentation.

5. Special Conditions when Contracting.

Each grant program has its own set of special conditions. Special Conditions compliance is mandatory upon acceptance of the program grant funds by all contractors and their sub recipients funded. These special conditions will in all cases, be included in the program Application and Instructions manual, and are incorporated as part of the contract documentation. All special conditions for each program are required by OJP for compliance by the recipient and their sub recipients for grant funds received.

6. Dispute Resolution and Appeals Process for Contractors.

- a. Negotiation: When an issue is disputed between a contractor and the Department, every attempt will be made to solve the underlying issues by discussion and negotiation.
- b. Dispute Hearing – When there is a bona fide dispute between the contractor and the Department, and discussion or negotiation does not resolve the issue, either party may request a dispute hearing. The parties shall select a dispute resolution team to resolve the dispute as follows:
 - i. Selection of the dispute team:
One representative appointed by the contractor
One representative appointed by the Department
One Representative mutually agreed upon by both the contractor and the Department.
 - ii. Decision of Binding Resolution
The dispute team, after consulting with the contractor and the Department will agree whether or not its decision will be considered binding upon the parties. While a binding resolution is normally preferred, it is recognized that either matters of law or federal regulation, or the severity of program impact, may prohibit such an agreement.
 - iii. Resolution by Majority Vote.
Simple majority vote of the dispute team shall be attempted to resolve the issue. This team may consult with an advisor familiar with the law or

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federal grant regulations either directly or by writing. The dispute team may also negotiate a settlement to the dispute should a simple vote on the dispute not be deemed appropriate by the team. The dispute team will summarize the record to both parties.

- c. Appeal on interpretation of Federal Grant Requirements – Final determination on issues of interpretation concerning federal grant regulations shall be made by the Department after it has provided a summary of the facts and discussions considered by the Dispute Board to the Bureau of Justice Assistance, and consulted with the appropriate Bureau and or Department within the Department of Justice.
- d. Legal Processing – Legal action may follow only after attempting to resolve disputes through a dispute hearing. Should legal action be necessary to enforce any provision of the grant contract, a binding agreement of a dispute team, or a final determination of an appeal, made in accordance with the contract and the contents of these policies and procedures, the governing law and venue specified in the grant contract is the Superior Court of Thurston County, Washington. This section is not applicable to other state agencies receiving federal grant funds from the Safe and Drug-free Communities Unit of the Department.

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SECTION 3 – Financial Management Standards

1. Accounting System.

Recipients are responsible for establishing and maintaining an adequate system of accounting and internal controls for it, and for ensuring that an adequate system exists for each of its sub-recipients. An acceptable and adequate accounting system:

- a. Presents and classifies projected historical cost of the grant as required for budgetary and evaluation purposes.
- b. Provides cost and property control to ensure optimal use of funds.
- c. Control funds and other resources to assure that the expenditure of funds and use of property conforms to a general or special condition that apply to the recipient.
- d. Meets the prescribed requirements for periodic financial reporting of operations; and
- e. Provides financial data for planning, control, measurement, and evaluation of direct and indirect costs.

Funds may be awarded as formula or Block (as well as Discretionary) grants awards. The various requirements and formulas of OJP, as well as the need for recipients to separately account for individual awards, require a special program account structure extending beyond normal classification by type of receipts, expenditures, assets, and liabilities.

Block and Formula Awards. To properly account for block and formula awards, CTED will establish and maintain program accounts that will enable separate identification and accounting for:

- Formula and block grant funds expended through programs of local government; and
- Formula funds utilized to develop a state plan and to pay that portion of expenditures necessary for administration.

Discretionary Awards. The SAA, SDFC Unit (CTED) does not have Discretionary award funds at its disposal. However, recipients who do, should establish and maintain program accounts that will enable, on an individual basis, separate identification and accounting for:

- Receipt and disposition of all funds (including project income);
- Funds applied to each budget category included within the approved award;
- Expenditures governed by any special and general provisions; and
- Non-Federal matching contribution, if required

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2. Total Cost Budgeting and Accounting

Accounting for all funds awarded by CTED shall be structured and executed on a “total program cost” basis. Total program cost includes Federal funds, State and local matching shares, and other funds included in the approved project budget or received as program income shall be the foundation for fiscal administration and accounting. Unless otherwise prohibited by statute, applications for funding and financial reports require budget and cost estimates on the basis of total costs.

3. Commingling of Funds

CTED will not require physical separation of cash deposits or the establishment of any eligibility requirements for funds provided to a recipient. However, the accounting system of all recipients and sub-recipients must ensure that agency funds are not commingled with funds from other Federal awards. Each award must be accounted for separately. Recipients and sub-recipients are prohibited from commingling funds on either a program-by-program or project-by-project basis.

Funds specifically budgeted and or received for one project may not be used to support another. Where a recipient’s or sub-recipient’s accounting system cannot comply with this requirement, the recipient or sub-recipient shall establish a system to provide adequate fund accountability for each project it has been awarded.

4. Recipient and Sub-Recipient Accounting Responsibilities

1. **Reviewing Financial Operations.** Direct recipients should be familiar with and periodically monitor, their sub-recipient’s financial operations, records, system, and procedures. Particular attention should be directed to the maintenance of current financial data.
2. **Recording Financial Activities.** As a sub-recipient, your award or contract obligation, cash advances (LLEBG Only), and other financial activities, should be recorded on the books of the recipient in summary form. Subrecipient expenditures should be recorded on the books of the recipient or evidenced by reports duly filed by the sub-recipient. Non-Federal contributions applied to programs or projects by sub-recipients should likewise be recorded, as should any program income resulting from program operations.
3. **Budgeting and Budget Review.** As a recipient, you should ensure that each sub-recipient prepares an adequate budget on which its award commitments will be based. The recipient should maintain the detail of each project budget on file.
4. **Accounting for Non-Federal Contributions.** Recipients will ensure that the requirements, limitations, and regulations pertinent to non-Federal contributions are applied.
5. **Audit requirements.** Recipients must ensure that sub-recipients have met the necessary audit requirements contained in this Guide (See Part IV, Section 18).

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6. **Reporting Irregularities.** Recipients and their sub-recipients are responsible for promptly notifying the awarding agency and the Federal cognizant audit agency of any illegal acts or irregularities and of proposed and actual actions, if any. Please notify CTED at 360-725-3026 if any irregularities occur. Illegal acts and irregularities include conflicts of interest, falsification of records, or reports, and misappropriation of funds or other assets.
7. **Debarred and Suspended Organizations.** Recipients and sub-recipients must not award or permit any award at any level to any party that is debarred or suspended from participation in Federal Assistance programs. For details regarding debarment procedures, see 28 CFR Part 67, Government-wide Debarment and Suspension (Non-Procurement) and Government-wide Requirements for Drug-Free Workplace (Grants).
8. **Bonding.** The awarding agency may require adequate fidelity bond coverage where recipient lacks sufficient coverage to protect the Federal government interest (See OMB Circular A-110, Attachment, Subpart C, paragraph 21 (c)).

Where the conduct of a program or one of its components is delegated to a sub-recipient, the direct recipient is responsible for all aspects of the program including proper accounting and financial recordkeeping by the sub-recipient. Responsibilities include the accounting of receipts and expenditures, cash management, the maintaining of adequate financial records, and the refunding of expenditures disallowed by audits.

5. Supplanting.

A written certification must be provided to CTED or to the awarding agency that Federal funds will not be used to supplant State or local funds. Federal funds must be used to supplement existing funds for program activities and not replace those funds that have been appropriated for the same purpose. Potential supplanting will be the subject of application review, as well as pre-award review, post-award monitoring, and audit.

If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

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CHAPTER III – AWARD REQUIREMENTS AND CONTRACTING

SECTION 1 - Policy on Awarding Contracts and Interagency Agreements

CTED uses contracts and interagency agreements (for state agencies), as the mechanism to award grant funds. CTED awards funds to Subrecipients along with the responsibility to comply with the grant conditions imposed by the Congress in Public Laws and by the Bureau of Justice Assistance in their capacity as the Grantor of the federal funds to further require special conditions on the use of grant funds.

1. Program period for contracting. Generally, Federally funded programs will be contracted for one-year only, as prescribed by the Department of Justice. CTED is authorized to obligate Department of Justice grant funds for a maximum of 12 months in a single award (reimbursable expenditure period).

2. Timeframe. The ideal sequence of events is generally as follows, annually:

- | | |
|--|-------------------------|
| a. Application approval and funding decisions | May 15, on or before. |
| b. Notification and release of contract documents | May 15 until completed. |
| c. Signature/ return to CTED of all contract documents | June 20, on or about. |
| d. Signature and return of Executed copy to vender | June 25, on or before. |
| e. Effective date of Contract | July 1 |

3. Budget period. In the event that CTED cannot completely execute and return the contract prior to the start date of the contract, the recipient will normally be allowed to bill back to the start date of the contract's budget period (normally a 1-year period coinciding with the Program period), or back 90-days, whichever is later. In the event that the approved contractor will not be allowed to bill back to that date, the contractor will be notified in writing of the date at which they may begin incurring expenses for reimbursement by the grant.

SECTION 2 –CTED Contracting Policy Requirements

1. Award Period. The standard contract period is from July 1st to the following June 30th. This is to accommodate the state fiscal year agency budget and planning cycle. When exceptions to the standard award period are necessary, they will be advertised as part of the Program/Project Application Process and will be the basis for the project's budget request and beginning and ending milestones for the Project's goals and objectives.

2. Payment Types Allowed. Expenditures must be submitted as reimbursements. CTED will review expenditures and when approved as allowable expenditures, will reimburse the contractor IAW CTED Fiscal Policy. Advanced payments and payment for services outside the current grant period are not allowed.

3. Non-Supplanting. Neither grant funds nor matching funds may replace any funds which would, in the absence of the grant award, have been made available to the funded activity.

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4. Matching Funds. Other federal funds, directly or indirectly received, may not be used as match for the Bureau of Justice funded Formula and Block Grants unless, approval has been obtained through CTED from the Department of Justice, Bureau of Justice Assistance (BJA)

5. Severability – In the event any term, clause or application of the contract (and by incorporation) is held invalid, the rest of the terms, clauses and applications remain valid.

SECTION 3 - Contracting Forms and Instructions

See Chapter VI, Forms for sample forms.

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CHAPTER IV – POST-AWARD REQUIREMENTS

SECTION 1 – Payments

1. Grants. CTED will reimburse recipients of grant awards for allowable expenditures. Recipients who receive advanced payment of Federal funds will be required to receive and deposit funds awarded in accordance with current guidance provided in CTED’s Application Guide (LLEBG).

2. Withholding of Funds. The awarding agency may withhold either reimbursements or drawdowns to a recipient organization receiving cash funds by letter of credit or by electronic transfer of funds, if the recipient demonstrates any of the following:

- a. Unwillingness or inability to attain program goals or to establish procedures that will minimize the time elapsing between the cash draw-downs and expenditure;
- b. Inability to adhere to guideline requirements or special conditions;
- c. Improper engagement of awarding and administering sub-awards or contracts; and
- d. Inability to submit reliable and/ or timely reports.

The recipient organization may be required to finance its operation with its own working funds until such time the recipient is in compliance with its award.

3. Interest Earned. Recipients and sub-recipients shall minimize the time elapsing between the transfer and disbursement of funds. Recipients and sub-recipients that administer confidential funds may establish different procedures for administering confidential funds to provide quick access to funds to meet the needs of the project. Also, interest income on LLEBG Block Grants must be accounted for, reported as program income, and used in accordance with the provisions of Chapter IV, Section 4: Program Income, of this guide.

- a. In accordance with Section 203 of the Intergovernmental Cooperation Act of 1968 (Pub. L. 90-577; 31 USC 6503(a)), a State and its sub-recipients and any agency or instrumentality of a State, including State institutions of higher educations and State hospitals, but not political sub-divisions of a State (cities, towns, counties, and special districts created by State Law) SHALL NOT be held accountable for interest earned on grant money pending its distribution for program purposes.
- b. In accordance with Sections 102, 103, and 104 of the Indian Self-Determination Act (Pub. L. 93-638; USC 450 (j)), tribal organizations SHALL NOT be held accountable for interest earned pending their distribution by such organizations.
- c. All local units of government (political subdivisions of a State, including cities, towns, counties and special districts created by State Law) shall account for interest earned on Federal funds. Local Units of government may keep interest earned on

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Federal grant funds up to \$100 PER FEDERAL FISCAL YEAR. This maximum limit is not per award; it is inclusive of all interest earned as a result of all federal grants program funds received per year. Interest earned in excess of \$100 must be remitted to CTED. In turn, CTED must remit those funds to the U.S. Department of Health and Human Services, Division of Payment Management Services, and P.O. BOX 6021, ROCKVILLE, MD 20852.

- d. Nonprofit organizations shall account for interest earned on Federal funds. Nonprofit organizations may keep interest earned on Federal grant funds up to \$250 PER FEDERAL FISCAL YEAR. This maximum limit is not per award; it is inclusive of all interest earned as a result of all Federal grants program funds received per year. Interest earned in excess of \$250 must be remitted to CTED, which in turn will be remitted to the U.S. Department of Health and Human Services, Division of Payment Management Services, and P.O. BOX 6021, ROCKVILLE MD.

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SECTION 2 –Availability of Funds

1. Re-designation of Fund Year. Federal funds are received by CTED and have a specified Federal Fiscal Fund Year designated with the award. CTED is not allowed to change the pre-designated Federal fiscal year of the funds when sub-awarded. When CTED awards Federal funds of multiple federal fiscal years, the Federal funds records must be maintained with accountability of each fund amount by fund source. CTED will ensure that expenditures of programs and projects are applied appropriately to the fund source/year for federal funds awarded.

2. Availability of Awards. Block and Formula Grants awarded by the Department of Justice, Bureau of Justice Assistance (BJA) are awarded for the Federal fiscal year of the appropriation plus two additional Federal fiscal years. Discretionary awards made by OJP are awarded for a specified time. A particular award period is established for each award (Usually 12 or 18 months).

3. Federal OJP funds sub-awarded by CTED/SDFC Unit will be awarded under contract agreement containing the specific funding source, period of the award, and budget period (which coincides with the contracting period of each specific contract). Each awarding agency will be responsible for ensuring that funds are disbursed prior to the end of the fund's budget period. Unexpended funds will be refunded to CTED at the end of the contract period for awards paid in advance. Funds will be retained and not disbursed by CTED from awards where federal funds remain at the end of the budget period under contract. CTED will de-obligate funds from projects and programs. CTED will account for these funds to OJP during the 90-day closeout cycle for grant funds.

4. Obligation of Funds. An obligation occurs when funds are encumbered, such as in a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the begin date and up to the last day of the grant period in the award. Federal funds awarded by CTED under contract agreement are considered obligations governed by the specific language within the contract agreement. Any funds not properly obligated by the recipient within the grant award period will lapse and revert to the awarding agency. The obligating deadline is the last day of the award period unless otherwise stipulated. (Example: If the contract budget period is 7/1/2004 to 6/30/2005, the obligation deadline is 6/30/2005.) Grant recipients and sub-recipients must complete performance during the obligation period. Performance as a result of a contract under a Block/formula grant may be completed during the expenditure period not to exceed 90 days after the end of the grant. No additional obligations can be incurred after the end of the grant.

Note: For LLEBG Block Grants beginning with 1999, the obligation period will begin after the required public hearing and advisory board meeting(s). LLEBG funds beginning with 1999 do not allow the 90-day liquidation period.

5. Expenditure of Funds. Block, formula, and discretionary funds which have been properly obligated by the end of the award period awarded to CTED from OJP will have 90 days in which to be liquidated (expended). Federal funds from these sources will be expended by CTED's

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subawardees and their sub-awardees not later than 45-days after the contract performance end date. Any funds not liquidated at the end of the 45-day period will revert to CTED, unless a contract amendment is in place and is approved prior to the end date of the contract extending the liquidation period. Any funds extended by contract amendment will be obligated and expended prior to the Federal award budget period end date. Any federal funds awarded by CTED and not liquidated during the obligation period will revert to CTED.

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SECTION 3 – Matching

1. Match Requirements. Match for the Block/Formula award program is to be provided for on a project-by-project basis, unless otherwise stated in the program application guidelines issued by CTED. Any deviation from the program guidelines must receive prior written approval of the awarding agency. Funds provided for a match must be used to support the Federally funded project and must be in addition to, and therefore supplement funds that would otherwise be made available for the stated program purpose. In the case of the Byrne Formula Grant in the program area would be one of the 28 program areas as defined by BJA. Match is restricted to same use of funds as allowed for the Federal funds.

2. Types of Match.

- a. Cash Match (hard) includes cash spent for project-related costs. Allowable cash match must include those costs that are allowable with Federal funds with the exception of the acquisition of land, when applicable.
- b. In-Kind Match (soft) includes, but is not limited to, the valuation of in-kind services. “In-kind” is the value of something received or provided that does not have a cost associated with it. For example, if in-kind match is permitted by law (other than cash payments), then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count towards satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs (see 28 CFR Part 66.24, Grants Management Common Rules for State and Local Units of Governments).

3. Sources and Types of Funds Used for match.

Cash match may be applied from the following sources:

- a. Housing and Community Development Act of 1974, 42 USC Sect 5301, et seq. (subject to the applicable policies and restrictions of the Department of Housing and Development).
- b. Appalachian Regional Development Act of 1965, 40 USC Sect 214.
- c. Equitable Sharing Program, 21 USC Section 881(e) (Current Guidelines developed by the DOJ Asset Forfeiture Office apply). Forfeiture assets used as match from the Equitable Sharing Program would be adjudicated by a Federal Court.
- d. Funds contributed from private sources.
- e. Program income and the relative interest earned on that program income generated from projects, provided they are identified and approved prior to making an award.
- f. Program income funds earned from seized assets and forfeitures (adjudicated by a State court, as State Law permits).
- g. Funds appropriated by Congress for the activities of any agency of a Tribal government or the Bureau of Indian Affairs performing law enforcement functions on Tribal Lands.

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- h. Sources otherwise authorized by law.
- 4. **Timing of Matching Contributions.** Match contributions need not be applied at the exact time or in proportion to the obligation of the Federal Funds. However, the full matching share must be obligated by the end of the period for which the Federal funds have been made available for obligation under an approved program or project. Time-phased matching may be required by the awarding agency on awards to non-governmental recipients.
- 5. **Records For Match.** Recipients and their sub-recipients must maintain records that clearly show the source, the amount, and the timing of all matching contributions. In addition, if a program or project has included within its approved budget contributions that exceed the required matching portion, the recipient must maintain records of them in the same manner as it does the awarding agency funds and the required matching shares. For all DOJ Block/formula funds, CTED has primary responsibility for sub-recipient compliance with the requirements. CTED requires that for Federal funds awarded, recipients hold their sub-recipients to the same standard for match.
- 6. **Waiver of Match.** 42 USC Sect 3754 (a) of the Omnibus Crime Control Act provides that, in the case of funds distributed to an Indian tribe which performs law enforcement functions (as determined by the Secretary of the Interior) for any program or project described in 42 USC Sect 3752 of the Crime Control Act, the Federal portion shall be 100 percent of such cost.
- 7. **Match Limitations.** A certification must be provided the Byrne Formula funds required to pay the non-Federal portion of the cost of each program and project for which the grant is made may be in addition to the funds that would otherwise be made available for law enforcement programs by the recipients of grant funds. This certification shall be in writing and submitted with the application for funding. CTED has extended this requirement to all programs funded under the Byrne Formula Grant. For other DOJ funded programs and projects, certification will be specified in the program application and guide provided by CTED to perspective applicants.

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SECTION 4 – Program Income

1. Use of Program Income. Program income may be used to supplement project costs or reduce project costs, or may be refunded through CTED to the Federal Government. Program income may only be used for allowable program costs and must be expended or refunded.

2. Examples of Program Income.

- a. Sale of Property (where specifically allowed).
- b. Royalties received from copyrights or other works developed under projects or from patents and inventions, unless the terms and conditions of the project provide otherwise, or a specific agreement governing such royalties has been negotiated between the awarding agency and the recipient.
- c. Attorney's Fees and Costs. Income received pursuant to a court-ordered award of attorney's fees or costs, which is received subsequent to completion of the project, is program income to the extent that it represents a reimbursement for attorney's fees and costs originally paid under the award.
- d. Registration/Tuition Fees charged.
- e. Asset Seizures and Forfeitures. Program income from asset seizures and forfeitures is considered earned when the property has been adjudicated to the benefit of the plaintiff (i.e., law enforcement entity). Income received from the sale of seized and forfeited assets (personal or real property) or from seized and forfeited money shall follow the "Addition Method" of handling program income unless an alternative method is designated in the recipient's award documentation. The following policies apply to program income from asset seizures and forfeitures:

(1) Sub-recipient program income, with the approval of the recipient, may be retained by the entity earning the program income or used by the recipient for any purpose that furthers the objectives of the legislation under which the grant was made.

(2) The State or local units of government MAY USE PROGRAM INCOME FUNDS FROM SEIZED AND FORFEITED ASSETS AS MATCH when assets are adjudicated by a State Court, in accordance with the State law. In addition, State and local units of government MAY use cash received under the equitable sharing program for the non-Federal portion (match) of program costs, as provided for in the guidelines established by the DOJ Asset Forfeiture Office, when the assets are adjudicated by a Federal Court.

3. Accounting for Program Income

All income generated as a direct result from an agency-funded project shall be deemed program income. Program income must be used for the purposes and under the conditions applicable to the award. Unless specified by the awarding agency (CTED), program income should be used as

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earned and expended as soon as possible. If the cost were allowable under the Federal grant program, then the costs would be allowable using program income. Recipients funded under Block/Formula grant funds must account for program income as follows: If the project is funded at 75 percent Federal funds and 25 percent non-Federal funds and the total program income earned by the grant was \$100,000, \$75,000 must be accounted for and reported, by the recipient as program income to CTED. CTED must report the program income on the Financial Status Report for the Grant Award to DOJ.

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SECTION 5 – Adjustments to Awards (Amendments).

1. **Types of Project Changes.** All requests for programmatic and/or administrative budget changes must be submitted in a timely manner by the recipient/Subrecipient. All requests for changes to the approved award shall be carefully reviewed by the applicable authority for both consistency with this guide and their contribution to project goals and objectives.
 - a. Change in Project Site.
 - b. Changes which increase or decrease the total cost of the project
 - c. Change in approved budget categories in excess of 10 percent of the total award amount.
 - d. Change in or temporary absence of the project manager/director.
 - e. Transfer of project
 - f. Successor in interest and name change agreements.
 - g. Addition of an item to the project budget requiring prior approval.
 - h. Retirement of special conditions, if required.
 - i. Change in period (no cost extension).
 - j. Change in the scope of the programmatic activities or purpose of the project.
2. **Notification.** All recipients must give prompt notification in writing to the awarding agency of events or proposed changes that may require an adjustment/notification. In requesting an adjustment (amendment), the recipient must set forth the reasons and basis for the proposed changes and any other data deemed helpful for the awarding agency review.
3. **Address Changes.** Recipients are required to notify CTED of changes to their mailing address. Notification must be on the recipient's official letterhead, include the previous and new mailing addresses, list all grants awarded to the recipient, and be signed by the official (or successor) that signed the award document. Notification of address change should be sent to:

Suzanne Walker
Department of Community, Trade
And Economic Development
Safe and Drug-Free Communities Unit
PO Box 42525
906 Columbia Street SW
Olympia, WA 98504-2525

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Recipients may obtain a listing of all grants awarded them by contacting the above staff member.

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SECTION 6 – Property and Equipment

1. **Acquisition of Property and Equipment.** Equipment purchased using funds made available under Federal grants shall be Year 2000 compliant and shall be able to process all date and time data after December 31st, 1999. Recipients of DOJ funds awarded by CTED will not expend Federal funds awarded on the acquisition of real properties. Acquisition of real property will require prior notification of intent to purchase and prior written approval when the property is deemed necessary for a project's successful completion.
2. **Screening for Need.** Careful screening should take place before acquiring property in order to ensure that it is needed, with particular consideration given to whether equipment already in the possession of the recipient/sub-recipient organization can meet identified needs. The awarding agency's program monitors must ensure that the screening takes place and that the recipient/sub-recipient has an effective system for property management. Recipients and sub-recipients are hereby informed that if the awarding agency is made aware that the recipient/sub-recipient does not employ an adequate property management system, project costs associated with the acquisition of the property may be disallowed.
3. **Loss, Damage, or Theft of Equipment.** Recipients/ sub-recipients are responsible for replacing or repairing the property that is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage, or theft of the property must be investigated and fully documented and made part of the official project records.
4. **Equipment Acquired with Crime Control Act Block/Formula Funds (BJA).**

Equipment acquired shall be managed to ensure that the equipment is used for criminal justice purposes. Standards and procedures governing ownership, use, management, and disposition are as follows:

 - a. **Title.** The Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC Sect 3789, etc. Seq., Section 808, requires that the title to all equipment and supplies purchased with funds made available under the Crime Control Act shall vest in the Criminal Justice agency or non-profit organization that purchased the property, if it provides written certification to CTED that it will use the property for criminal justice purposes. If such written certification is not made, title to the property vests in CTED, which shall seek to have the equipment and supplies used for criminal justice purposes elsewhere in the state prior to using it or disposing of it in any manner.
 - b. **Use and Management.** A sub-recipient or CTED shall use and manage equipment in accordance with its procedures as long as the equipment is used for criminal justice purposes.

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- c. **Disposition.** When equipment is no longer needed for criminal justice purposes, CTED shall dispose of equipment (for both the State and sub-recipients), in accordance with State procedures, with no further obligation to the awarding agency.
- 5. Real Property Acquired with Formula Funds.**
- a. Land Acquisition. Block/Formula Funds CANNOT be used for land acquisition.
 - b. Title. Subject to the obligations and conditions set forth in the award, title to real property acquired under an award or sub-award vests, upon acquisition, in the recipient or sub-recipient.
 - c. Use of Real Property. The recipient and its sub-recipients may use real property acquired, in whole or part, with Federal funds for the authorized purposes of the original grant or sub-award as long as needed for that purpose. The sub-recipients shall maintain an inventory report that identifies real property acquired, in whole or in part, with block or formula funds. The recipient or sub-recipient shall not dispose of or encumber its title or other interests.
 - d. Disposition. The sub-recipient shall obtain approval for the use of the real property in other projects when the sub-recipient determines that the real property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federally sponsored projects or programs that have purposes consistent with those authorized for support by CTED. When the real property is no longer needed as provided above, the sub-recipient shall request disposition instructions from CTED.
- 6. Replacement of Property.** When an item of property (equipment and Non-Expendable personal Property) is no longer efficient or serviceable but the recipient/ sub-recipient continues to need the property in its criminal justice system, the recipient/ sub-recipient may replace the property through trade-in or sale and subsequent purchase of new property, provided the following conditions are met:
- a. Similar Function. Replacement property must serve the same function as the original property and must be of the same nature or character, although not necessarily of the same grade or quality.
 - b. Credits. Value credited for the property, if the property is traded in, must be related to its fair market value.
 - c. Time. Purchase of replacement property must take place soon enough after the sale of the property to show that the sale and the purchase were related.
 - d. Compensation. When acquiring replacement property, the recipient/ sub-recipient may use the property to be replaced as a trade-in or the proceeds from the sale of

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the property to offset the cost of the new property.

- e. **Prior Approval.** CTED's sub-recipients shall obtain the written permission of the State to use the provisions of this section prior to entering into negotiation for the replacement or trade-in of property.
7. **Retention of Property Records.** Records for equipment, non-expendable personal property, and real property shall be retained for a period of three years from the date of the disposition or replacement or transfer at the discretion of the awarding agency. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.
8. **Supplies.**
- a. **Title.** Title to supplies acquired under an award or sub-award vests, upon acquisition, in the recipient or sub-recipient, respectively.
 - b. **Disposition.** If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the funding support and the supplies are not needed for any other Federally sponsored programs or projects, the recipient or sub-recipient shall compensate the awarding agency or its share. The amount of compensation shall be computed in the same manner as for non-expendable personal property or equipment.
9. **Copyrights.** The awarding agency reserve a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, for Federal government purposes:
- a. The copyright in any work developed under an award or sub-award; and
 - b. Any rights of copyright to which a recipient or sub-recipient purchases ownership with support.
10. **Patents, Patent Rights, and Inventions.** If any program produces patentable items, patent rights, processes, or inventions, in the course of work sponsored by the Federal award or sub-award funds, such facts must be promptly and fully reported to the awarding agency. Unless there is a prior agreement between the recipient and the awarding agency on disposition of such items, the awarding agency shall determine whether protection on the invention or discovery shall be sought. The awarding agency shall also determine how rights in the invention or discovery (including rights under any patents issued thereon) shall be allocated and administered in order to protect the public interest consistent with "Government Patent Policy" (President's Memorandum for Heads of Executive Departments and Agencies, dated August 23, 1971, and statement of

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Government Patent Policy, as printed in FR 16839). Government-wide regulations have been issued at 37 CFR Part 401 by the Department of Commerce.

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SECTION 7 – Allowable Costs

1. **Allowable costs** are those costs identified in the circulars and in the grant program's application guide, as allowable under the authority of the Federal Grant Program's funding source Legislation. In addition, costs must be reasonable, allocable, necessary to the project, and comply with the funding statute requirements. Further instruction is provided on certain elements of costs as follows.
2. **Compensation for Personal Services.**
 - a. Two or more Federal Grant Programs. Where salaries apply to execution of two or more grant programs or cost activities, prorating of costs to each activity must be made based on time and/ or effort reports. In cases where two or more grants constitute an identified activity or program, salary charges to one grant may be allowable after written permission is obtained from the awarding agency. Salary supplements including severance provisions and other benefits with non-Federal funds are prohibited without approval of the awarding agency. (Refer to OMB Circular A-87, Attachment B, OMB Circular A-122, or OMB Circular A-21).
 - b. Extra Work. A local government employee may be employed by a recipient or sub-recipient, in addition to his or her full-time job, provided the work is performed on the employee's own time and:
 - i. Compensation is reasonable and consistent with that paid for similar work in other activities of local government;
 - ii. Employment arrangement is approved and proper under local regulations (i.e., no conflict of interest); and
 - iii. Time and/ or services provided are supported by adequate documentation.
 - c. To avoid problems arising from overtime, holiday pay, night differential, or related payroll regulations, such employment arrangements should normally be made directly by the recipient or sub-recipient with the individual, unless there has been a transfer or loan of the employee for his or her regular and overtime services provided are to be charged to or reimbursed by the recipient or sub-recipient. Overtime and night differential payments are allowed only to the extent that payment for such services is in accordance with the policies of the unit of local government and has the approval of CTED.
[NOTE: The overtime premium should be prorated among the jobs and not charged exclusively to the awarding agency funds.]
 - d. Payment of these premiums will be for work performed by award or sub-award employees in excess of the established work week (usually 40 hours). Executives such as the President or Executive Director of an organization may not be reimbursed for overtime or compensatory time under grants and cooperative agreements. Payment of continued overtime is subject to periodic review by the

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awarding agency.

3. **Award Purposes and Dual Compensation.** Charges of time of local government employees assigned to assistance programs may be reimbursed to the extent they are directly and exclusively related to the award or proper for inclusion in the indirect cost base.

[**NOTE:** In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from his/her unit or agency of government AND from an award for a single period of time (e.g., 1 pm to 5 pm), even though such work may benefit both activities.]

4. **Conferences and Workshops.** Allowable costs may include:
- a. Conference or meeting arrangements;
 - b. Publicity; (does not include advertisements unless allowed by fund source).
 - c. Registration;
 - d. Salaries of personnel;
 - e. Rental of staff offices;
 - f. Conference space;
 - g. Recording or translation services;
 - h. Postage;
 - i. Telephone charges;
 - j. Travel expenses (includes transportation and subsistence for speakers or participants); and
 - k. Lodging.
5. **Food and Beverages.** Food and/ or beverage expenses provided by recipients are allowed subject to conditions stated below:
- a. Food and/ or beverages are provided to participants at training sessions, meetings, or conferences that are allowable activities under the particular OJP program guidelines.
 - b. Expenses incurred for food and/ or beverages and provided at training sessions, meetings, or conferences must satisfy the following three tests:

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- i. Test 1 – The cost of the food and/ or beverages provided are considered to be reasonable.
 - ii. Test 2 – The food and/ or beverages provided are subject of a work-related event.
 - iii. Test 3 – The food and/ or beverages provided are not directly related to amusement and/ or social events. (Any event where alcohol is being served is considered a social event; and therefore, costs associated with that event are not allowable.)
- c. The recipient adheres to the applicable definitions for food and beverages contained in the Glossary.

[Each recipient that desires to purchase food and/ or beverages under a grant, or contract under a grant, should follow the food and beverage policy guidelines.]

Guidance should be applied within the context of each individual situation. While food and/ or beverages are allowable, recipients are not required to provide them at training sessions, meetings, or conferences.

[**NOTE:** The presence of Federal employees does not prevent the recipient from providing food and beverages under its three tests.]

To determine whether costs associated with food and/ or beverages are allowable, the recipient or sub-recipient providing the food and/ or beverages must consider:

- i. To whom the food and/ or beverages will be provided;
 - ii. Under what conditions the food and/ or beverages will be available; and
 - iii. That the appropriate three tests have been satisfied.
- 6. **Travel. Travel costs** are allowable as expenses by employees who are in travel status on official business. These costs must be in accordance with Federal or an organizationally approved travel policy.
 - a. Domestic Travel. Recipients may follow their own established travel rates. However, the Office of the Comptroller, OJP, reserves the right to determine the reasonableness of those rates. If a recipient does not have a written travel policy, the recipient must abide by the State's established travel policy.
 - b. Foreign Travel. This includes travel outside of Canada and the United States and its territories and possessions; however, for a recipient or sub-recipient located outside Canada and the United States and its territories and possessions, foreign travel means travel outside that country. Prior approval is required for all foreign travel.

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7. **Space.** The cost of space in privately or publicly-owned buildings used for the benefit of the program is allowable subject to the conditions stated below:

- i. The total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality.
 - ii. The cost of space procured for program usage may not be charged to the program for periods of non-occupancy without authorization of the federal awarding agency.
- a. **Rental Costs.** The rental cost of space in a privately owned building is allowable. Rent cannot be paid if the building is owned by the grantee or if the grantee has a substantial financial interest in the property. However, the cost of ownership is an allowable expense. Similar costs for a publicly owned building are allowable where “rental rate” systems, or equivalent systems that adequately reflect actual costs, are employed.

Such charges must be determined on the basis of actual cost (including depreciation based on the useful life of the building, operation and maintenance, and other allowable costs.). Where these costs are included in rental charges, they may not be charged elsewhere. No costs will be included for purchases or construction that were originally financed by the Federal government.

- b. **Maintenance and Operation.** The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs, and maintenance, and the like are allowable to the extent they are not otherwise included in rental or other charges for space.
- c. **Rearrangements and Alterations.** Costs incurred for rearrangement and alteration of facilities required specifically for the award program, or for those that materially increase the value or useful life of the facility, are allowable when specifically approved by the awarding agency.
- d. **Depreciation and Use Allowances on Publicly Owned Buildings.** Depreciation or a use allowance on idle or excess facilities is **NOT ALLOWABLE**, except when specifically authorized by the Federal Awarding agency.
- e. **Occupancy of Space Under Rental-Purchase or a Lease with Option-to-Purchase Agreement.** The cost of space procured under such arrangements is allowable when specifically approved by the awarding agency. This type of arrangement may require application of special matching share requirements under construction programs.
8. **Printing.** Printing shall be construed to include and apply to the process of composition, plate-making, presswork, binding, and microfilm; the equipment, as classified in the tables in Title II of the Government Printing and Binding Regulations, published by the

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Joint Committee on Printing, Congress of the United States, and as used in such processes; or the end items produced by such processes and equipment. Pursuant to the Government Printing and Binding Regulations, no project may be awarded primarily or substantially for the purpose of having material printed for the awarding agency. The Government Printing and Binding Regulations allow:

- a. Issuance. The issuance of a project for the support of non-government publications provided such projects were issued pursuant to an authorization of law and were not made primarily or substantially for the purpose of having material printed for the awarding agency.
 - b. Publications by Recipients/sub-recipients. The publications of findings by recipients/ sub-recipients within the terms of their projects provided that such publication is not primarily or substantially for the purpose of having such findings printed for the awarding agency.
9. **Publication.** Publication shall be construed as the initiation of writing, editing, preparation of related illustration material, including videos, from recipients/ sub-recipients, or the internal printing requirements of the recipient or sub-recipient necessary for compliance with the terms of the project. However, individuals are authorized to make or have made by any means available to them, without regard to the copyright of the journal and without royalty, a single copy of any such article for their own use.

Project Directors are encouraged to make results and accomplishments of their activities available to the public. A recipient/ sub-recipient who publicizes project activities and results shall adhere to the following:

- a. Responsibility for the direction of the project activity should not be ascribed to the awarding agency. The publication shall include the following statement: "The opinions, findings, and conclusions or recommendations expressed in this publication/ program/ exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice." The receipt of awarding agency funding does not constitute official recognition or endorsement of any project. A separate application for Official Recognition may be filed with the awarding agency.
- b. All materials publicizing or resulting from award activities shall contain an acknowledgement of the awarding agency assistance. An acknowledgement of support shall be made through use of the following or comparable footnote: "This project was supported by Award No. _____ awarded by the (name of specific office/ bureau). Office of Justice Programs."
- c. A recipient or sub-recipient is expected to publish or otherwise make widely available to the public, as requested by the awarding agency, the results of work conducted or produced under an award.

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- d. All publication and distribution agreements with a publisher shall include provisions giving the Federal Government a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the publication for Federal government purposes. (See Copyrights section of this guide). The agreements with a publisher should contain information on the awarding agency requirements.
 - e. Unless otherwise specified in the award, the recipient/ sub-recipient may copyright any books, publications, films, or other copyrightable materials developed or purchased as a result of award activities. Copyrighted material shall be subject to the same provisions of the Federal government.
 - f. The recipient/ sub-recipient shall be permitted to display the official awarding agency logo in connection with the activities supported by the award. In this respect, the logo shall appear in a separate space, apart from any other symbol or credit.
The words “Funded/ Funded in part by OJP” shall be printed as a legend, either below or beside the logo, each time it is displayed. Use of the logo must be approved by the awarding agency.
 - g. The recipient/ sub-recipient shall submit a publication and distribution plan to the awarding agency before materials developed under an award are commercially published or distributed. The plan shall include a description of the materials, the rationale for commercial publication and distribution, the criteria to be used in the selection of a publisher, and, to assure reasonable competition, the identification of firms that will be approached. Prior agency approval of this plan is required for publishing project activities and results when Federal funds are used to pay for the publication.
10. **Duplication.** A requirement for a recipient/ sub-recipient to duplicate less than 5,000 units of only one page, or less than 25,000 units in the aggregate of multiple pages, of its findings for the awarding agency will not be deemed to be printing primarily or substantially for the awarding agency (e.g., 5,000 copies of 5 pages, etc.). For the purpose of this paragraph, such pages may not exceed a maximum image size of 10 3/4” by 14 1/4”.
11. **Production.** A requirement of a recipient/ sub-recipient to produce less than 250 duplicates from original microfilm will not be deemed to be a printing primarily or substantially for the awarding agency. Microfilm is defined as one roll of microfilm 100 feet in length or one microfiche.
12. **Other allowable Costs.**
- a. Software development. This is allowable cost and may be expensed in the period incurred with no dollar limitation.

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- b. Depreciation. This is an allowable cost and an accelerated method should not be used.
- c. Post-employment benefits. These are allowable costs if funded in accordance with actuarial requirements. Funds must be paid within six months of recordation.
- d. Technology awards. These are allowable costs and the drawdown of funds may be prohibited until the State Department of Information Technology Point-of-Contact person has received written notification of the project and a Grant Adjustment Notice (GAN) has been issued by the awarding agency.

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SECTION 8 – Confidential Funds (NTF’s Only)

These provisions apply to all awarding agency professional personnel, recipients, and sub-recipients involved in the administration of grants containing confidential funds. Confidential funds are those monies allocated to:

1. **Purchase of Services (P/S).** This category includes travel or transportation of a non-Federal officer or an informant; the lease of an apartment, business front, luxury-type automobiles, aircraft or boat, or similar effects to create or establish the appearance of affluence; and/ or meals, beverages, entertainment, and similar expenses (including buy money and flash rolls, etc.) for undercover purposes, within reasonable limits.
2. **Purchase of Evidence (P/E).** This category is for the purchase of evidence and/ or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps, etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.
3. **Purchase of Specific Information (P/I).** This category includes the payment of monies to an informant for such specific information. All other informant expenses would be classified under P/S and charged accordingly.

These funds should only be allocated when:

- a. The particular merits of a program/ investigation warrant the expenditure of these funds.
- b. Requesting agencies are unable to obtain these funds from other sources.

Confidential funds are subject to prior approval. Such approval will be based on a finding that they are a reasonable and necessary element of project operations. In this regard, the approving agency must also ensure that the controls over disbursement of confidential funds are adequate to safeguard against the misuse of such funds.

4. **Approval Authority.** The Approving Authority for the allocation of confidential; funds is:
 - a. The awarding agency for block/ formula grantees and categorical grantees (including Regional Information Sharing System (RISS) program projects).
 - b. The recipient agency for block/ formula sub-recipients.

5. Confidential Funds Certification. A signed certification that the Project Director has read, understands, and agrees to abide by the provisions is required from all projects that are involved with confidential funds from either Federal or matching funds. The signed certification must be submitted at the time of grant application. (See sample of the required certification form used for the Narcotics Task Force projects).

6. Written Procedures. Each project and RISS member agency authorized to disburse confidential funds must develop and follow internal procedures that incorporate the

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following elements listed below. Deviations from these elements must receive prior approval of the awarding agency.

- a. **Imprest Fund.** The funds authorized will be established in an Imprest fund that is controlled by a bonded cashier.
- b. **Advance of Funds.** The supervision of the unit to which the Imprest fund is assigned must authorize all advances of funds for the purchase of information. Such authorization must specify the information to be received, the amount of expenditures, and the assumed name of the informant.
- c. **Informant Files.** Information files are confidential files of the true names, assumed names, and signatures of all informants to whom payments of confidential expenditures have been made. To the extent possible, pictures and/ or fingerprints of the information payee should also be maintained. Project Headquarters may maintain case files.
- d. **Cash Receipts.**
 - a. The cashier shall receive from the agent or officer authorized to make a confidential payment a receipt for cash advanced to him/her for such purposes.
 - b. The agent or officer shall receive from the information payee a receipt for cash paid to him/her. (See the sample Information Payee Receipt in this section).
- e. **Receipt for Purchase of Information.** An information payee receipt shall identify the exact amount paid to and received by the informant payee on the date executed. Cumulative or anticipatory receipts are not permitted. Once the receipt has been completed, no alteration is allowed. The agent shall prepare an information payee receipt containing the following information:
 - c. The jurisdiction initiating the payment;
 - d. A description of the information/ evidence received;
 - e. The amount of payment, both in numerical and word form;
 - f. The date on which the payment was made;
 - g. The signature of the informant payee;
 - h. The signature of the case agent or officer making payment;
 - i. The signature of at least one other officer witnessing the payment; and
 - j. The signature of the first line supervisor authorizing and certifying the payment.
- f. **Review and Certification.** The signed receipt from the informant payee with a memorandum detailing the information received shall be forwarded to the agent or officer in charge. The agent or officer in charge shall compare the signatures. He/ she shall also evaluate the information received in relation to the expense incurred and his/ her evaluation remarks in the report of the agency of officer who made the expenditure from the imprest fund. The certification will be witnessed by the agent or officer in charge on

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the basis of the report and information payee's receipt.

- g. **Reporting of Funds.** Each project shall prepare a reconciliation report on the imprest fund on a quarterly basis. Information to be included in the reconciliation report will be the assumed name of the informant given and to what extent this informant contributed to the investigation. Grantees shall retain the reconciliation report in their files and have it available for review unless CTED requests that the report be submitted to them on a quarterly basis.
- h. **Record and Audit Provisions.** Each project and member agency must maintain specific records of each Confidential Fund transaction. At a minimum, these records must consist of all documentation concerning the request for funds, processing (should include the review and approval/ disapproval), modifications, closure or impact materials, and receipts and/ or other documentation necessary to justify and track all expenditures. Refer to the documentation under "Informant Files" below for a list of documents that should be in the informant files. In projects where grant funds are used for confidential expenditures, it will be understood that all of the above records are subject to the record retention requirements and audit provisions of the awarding agency and program legislation. However, only under extraordinary and rare circumstances would such access include a review of the true name of confidential informants. When access to the true name of confidential informants is necessary, appropriate steps to protect this sensitive information must and will be taken by the recipient, awarding agency, and auditing agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by both the OJP program office head and the OJP Comptroller.

7. Informant Files.

- a. **Security.** A separate file should be established for each informant for accounting purposes. Informant files should be kept in a separate and secure storage facility, segregated from any other files, and under the exclusive control of the office head or an employee designated by him/ her. The facility should be locked at all times when unattended. Access to these files should be limited to those employees who have a necessary legitimate need. An informant file should not leave the immediate area, except for review by a management official or the handling agent, and should be returned prior to the close of business hours. Sign-out logs should be kept indicating the date, information number, time in and out, and the signature of the person reviewing the file.
- b. **Documentation.** Each file should include the following information:
 - c. Informant Payment Record, kept on top of the file. This record provides a summary of informant payments.
 - d. Informant Establishment Record, including complete identifying and locating data, plus any other documents connected with the informant's establishment.

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- e. Current photograph and fingerprint card (or FBI/ State Criminal Identification Number).
Agreement with cooperating individual.
 - f. Receipt for Purchase of Information.
 - g. Copies of all debriefing reports (except for the Headquarters case file).
 - h. Copies of case initiation reports bearing on the utilization of the informant (except for the Headquarters case file).
 - i. Copies of statements signed by the informant (unsigned copies will be placed in appropriate investigative files).
 - j. Any administrative correspondence pertaining to the informant, including documentation of any representations made on his behalf or any other non-monetary considerations furnished.
 - k. Any deactivation report or declaration of an unsatisfactory informant.
8. **RISS Program Informant information** is contained in the OJP Comptrollers Financial Guide. See the guide for further discussion if you are a RISS Program participant using Confidential Funds.
9. **Accounting and Control Procedures.** Special accounting and control procedures should govern the use and handling of confidential expenditures as described below:
- a. It is important that expenditures that conceptually should be charged to PE/PI/PS are in fact so charged. It is only in this manner that these funds may be properly managed at all levels and accurate forecasts of projected needs be made. Each law enforcement entity should apportion its PE/PI/PS allowance throughout its jurisdiction and delegate authority to approve PE/PI/PS expenditures to those offices, as it deems appropriate.
 - b. Headquarters management should establish guidelines authorizing offices to spend up to a predetermined limit of their total allowance on any one investigation.
 - c. In exercising his/ her authority to approve these expenditures, the supervisor should consider:
 - i. The significance of the investigation;
 - ii. The need for this expenditure to further that investigation; and
 - iii. Anticipated expenditures in other investigations. Funds for PE/PI/PS expenditures should be advanced to the officer for a specific purpose. If they are not expended for that purpose, they should be returned to the cashier. They should not be used for another purpose without first returning them and repeating the authorization and advanced process based on the new purpose.
 - d. Funds for PE/PI/PS expenditures should be advanced to the officer on a suitable receipt form. A receipt for purchase of information or a voucher for purchase of

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evidence should be completed to document funds used in the purchase of evidence or funds paid or advanced to an informant.

- e. For security purposes, there should be a 48-hour limit on the amount of time funds advanced for PE/Pi/PS expenditures may be held outstanding. If it becomes apparent at any point within the 48-hour period that the expenditure will not materialize, then the funds should be returned to the advancing cashier as soon as possible. An extension to the 48-hour limit may be granted by the level of management that approved the advance. Factors to consider in granting such an extension are the amount of funds involved, the degree of security under which the funds are being held, how long an extension is required, and the significance of the expenditure. Such extensions are generally limited to 48 hours. Recipients should refer to the OJP Comptroller for additional information on the extension rule.
- f. Recipients should consult with CTED prior to determining the final course of action. Beyond this, the funds should be returned and re-advanced, if necessary. Regardless of the circumstances, within 48 hours of the advance, the fund cashier should be presented with either the unexpended funds, an executed voucher for payment for information or purchase of evidence, or written notification by management that an extension has been granted.
- g. Purchase of Services (P/S) expenditures, when not endangering the safety of the officer or informant, need to be supported by cancelled tickets, receipts, lease agreements, etc. If not available, the office head, or his/ her immediate subordinate, must certify that the expenditures were necessary and justify why supporting documents were not obtained.

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CHAPTER 9 – Procurement Rules

1. Procurement Standards

- a. General. CTED shall follow the State's policies and procedures for procurement from non-Federal funds and ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. CTED sub-recipients shall follow the procurement requirements imposed upon them by the State of Washington. Other recipients and sub-recipients will follow OMB Circular A-110.
- b. Standards. Recipients and sub-recipients shall use their own procurement procedures and regulations, provided that the procurement conforms to applicable Federal law and the standards identified in the Procurement Standards Sections of 28 CFR Parts 66 and 70. Any recipient/ sub-recipient whose procurement system has been certified by a Federal agency is not subject to prior approval requirements of 28 CFR Parts 66 and 70. The awarding agency's prior approval will be required only for areas beyond limits of the recipient/ sub-recipient certification.
- c. Adequate Competition. All procurement transactions, whether negotiated or competitively bid and without regard to dollar value, shall be conducted in a manner so as to provide maximum open and free competition. All sole-source procurements in excess of \$100,000 must receive prior approval of the awarding agency. Interagency agreements between units of government are excluded from this provision.
- d. 4. Non-Competitive Practices. The recipient/ sub-recipient shall be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Contractors that develop or draft specifications, requirements, statements of work, and/ or Requests for Proposals (RFP's) for a proposed procurement shall be excluded from bidding or submitting a proposal to compete for the award of such procurement. Any requests for exemption must be submitted in writing to the awarding agency.

2. Construction Requirements

The following policies and procedures relevant to construction are applicable to recipients/ sub-recipients. For the purpose of determining the appropriate fund ratio for construction projects, refer to the legislation authorizing the construction project.

3. Professional Services.

The customary fixed fee or profit allowance in cost-type contracts may not exceed 10 percent of the total estimated costs. This is applicable to contracts under grants.

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SECTION 10 – Reporting Requirements

1. Financial Status Reports

These reports contain the actual expenditures and un-liquidated obligations as incurred (at the lowest funding level) for the block/ formula grant-reporting period (calendar quarter) and, cumulative, for the award. OJP requires that CTED complete the Financial Status Report (FSR), also known as the SF 269A form. OJP will not make payments to CTED if CTED has not filed a current FSR with OJP within 45 days of the end of the most recently past quarterly reporting period.

CTED is required to maintain adequate documentation to provide an audit trail that substantiates the amounts reported on each SF 269A as submitted. The final report is due 120 days after the end date of the award, to OJP.

Formula grant sub-recipients are encouraged to submit their program's periodic Request for Reimbursement Report (also known as their voucher) by not later than 15 days after the end of the period reported on the voucher, for reimbursement. The final program voucher is due not later than 45 days after the end of the contract period of the project.

1. **Penalty for Non-Compliance.** Future awards, fund drawdowns, and grant adjustments will be withheld if CTED's Financial Status Report is delinquent.

2. **Sub-awards.** CTED must report to the awarding agency the cumulative total Federal funds sub-awarded for the award being reported. This information is required on all block and formula awards and shall be reported in item 12 of the SF 296A.

2. Program Reports

These reports are prepared in a narrative fashion in order to present information relevant to the performance of a plan, program, or project, and are due at the intervals noted in the program application guide as established by CTED. Unless otherwise noted, the final report is due 45 days after the end of the award.

3. Special Reports.

In the review and approval process for plans and applications, it is sometimes necessary for the awarding agency to require special or unique conditions to be met in order to make an award. These special conditions will vary from award to award; however, acceptance of the award by the recipient/ sub-recipient constitutes an agreement that the conditions will be met either prior to the project or during the course of the award period. When this is the case, special reports on the meeting of these conditions are required for submittal to the awarding agency. They are prepared free form; however, the timing, content, and process for their submittal are detailed in the award package.

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SECTION 11 - Record Retention and access

1. Retention of Records

In accordance with the requirements set forth in 28 CFR Parts 66 and 70, all financial records, supporting documents, statistical records, and all other records pertinent to award shall be retained by each organization for at least three years following the closure of their most recent audit report. Retention is required for purposes of Federal examination and audit. Records may be retained in an automated format. State or local governments may impose record retention and maintenance requirements in addition to those prescribed. CTED supports and uses Washington State rules and regulations governing record retention.

- a. **Coverage.** The retention requirement extends to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records. Source documents include copies of all awards, applications, and required recipient financial and narrative reports. Personnel and payroll records shall include the time and attendance reports for all individuals reimbursed under the award, whether they are employed full-time or part-time. Time and effort reports are also required for consultants.
- b. **Retention Period.** The three-year retention period starts from the date of the submission of the closure of the single audit report that covers the grant period. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion of the action and resolution of all issues which arise from it until the end of the regular three-year period, whichever is later.

2. Maintenance of Records

Recipients of funds are expected to see that records of different Federal fiscal periods are separately identified and maintained so that the information desired may be readily located. Recipients are also obligated to protect records adequately against fire and other damage. When records are stored away from the recipient's principal office, a written index of the location of records stored should be on hand and ready access should be assured.

3. Access to Records

The awarding agency includes the funding agency, the Federal agency, the DOJ Office of the Inspector General, the Comptroller General of the United States, or any of their authorized representatives, who shall have the right of access to any pertinent books, documents, papers, or other records of recipients which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. The right of access must not be limited to the required retention period but shall last as long as the records are retained.

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However, only under extraordinary and rare circumstances would such access include review of the true name of confidential informants or victims of crime. When access to the true name of confidential informants or victims of crime are necessary, appropriate steps to protect this sensitive information must and will be taken by the recipient and awarding agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by both the OJP program office head and the OJP Comptroller.

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SECTION 12 – Sanctions

If a recipient materially fails to comply with the terms and conditions of an award, including civil rights requirements, whether stated in a Federal statute, regulation, assurance, application, or notice of award, the awarding agency may take one or more of the following actions, as appropriate in the circumstances. This authority also extends to the recipient agency.

1. Temporarily withhold cash payments pending correction of the deficiency by the recipient.
2. Disallow (that is to deny both the use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
3. Wholly or partly suspend or terminate the current award.
4. Withhold further awards for the project or program.
5. Take other remedies that may be legally available.

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SECTION 13 – Terminations For Convenience (for Cause)

The awarding agency may terminate any project, in whole or in part, when a recipient materially fails to comply with the terms and conditions of an award, which includes the unauthorized use of payment access codes by someone other than the grantee of record, or when the recipient and the awarding agency agree to do so. In the event that a project is terminated, the awarding agency will:

1. **Notify** the recipient in writing of its decision;
2. **Specify** the reason;
3. **Afford** the recipient/ sub-recipient a reasonable time to terminate project operations; and
4. **Request** the recipient seek support from other sources.

A project that is prematurely terminated will be subject to the same requirements regarding audit, recordkeeping, and submission of reports as a project that runs for the duration of the project period. Refer to 28 CFR Part 18 for appeal rights in the event of termination.

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SECTION 14 – Prior Approval Costs

1. General.

Written approval is required for those costs specified in OMB Circulars A-21, A-87m and A-122 as “Costs Allowable With Approval of Awarding Agency” or costs which contain special limitations.

Where prior approval is required in this section, the awarding agency will be the approval authority for all discretionary recipients and for CTED when it is the implementing recipient. Where prior approval authority for sub-recipients is required, it will be vested in CTED unless specified as being “RETAINED BY THE FEDERAL AWARDING AGENCY,” as identified below. Sub-recipient requests for awarding agency approval should be submitted through CTED for a block or formula grant award.

The intention of the awarding agency is not to require approval of all changes within the listed costs categories, but only for those aspects or elements that specifically require prior approval. Also, the establishment of dollar expenditures levels in this chapter is intended to furnish blanket approval for modest project-related outlays. Costs above such levels may also receive approval upon submission of appropriate data and justification.

2. Responsibility for Prior Approval

Block/ Formula awards. CTED reviews for approval all costs identified in this section for sub-recipients of block/ formula grant funds where the State is the recipient but not the implementing agency.

3. Procedures for Requesting Prior Approval

Requests may be in writing and justified with an explanation to permit the review of the allowability. They may be submitted:

- a. Through inclusion in the budget or other components of an award or sub-award application; or
- b. As a separate written request to the appropriate authority as described above.

4. Costs Requiring Prior Approval

- a. Automated Data Processing (ADP) Equipment and Software. (Normally considered a purchase of services such as ‘payroll processing’ when the organization does not provide these services itself; This is exclusive of desktop computing.)
- b. Criminal Justice Information and Communication Systems.

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- c. **Equipment and Other Capital Expenditures.** Equipment and other capital assets, including repairs that materially increase their useful life, are allowable if the recipient/sub-recipient has received prior approval.
- d. **Pre-agreement Costs.**
 - 1. **Block/ formula funds.** Costs incurred prior to the date of the sub-award period may be charged to the project where the award or sub-award application specifically requests support for pre-agreement costs. CTED may approve pre-agreement costs of sub-recipients if incurred subsequent to the beginning of the Federal fiscal year of award.
 - 2. **Discretionary Awards.** Costs incurred prior to the start date of the award may be charged to the project only if they receive prior approval from the awarding agency.
- e. **Proposal Costs.** Costs to projects for preparing proposals for potential Federal awards require PRIOR APPROVAL for:
 - 1. The obligation or expenditure of funds; or
 - 2. The performance or modification of an activity under an award/ sub-award project, where such approval is required.
- f. **Consultant Rates.** Compensation for an individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace. Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide the same. In addition, when the rate exceeds \$450 (excluding travel and subsistence costs) for an eight-hour day, a written PRIOR APPROVAL is required from the awarding agency.

Prior approval requests require additional justification. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. The following is the policy in regard to compensation of various classifications of consultants who perform like-type services. If consultants are hired through a competitive bidding process (not sole source), the \$450 threshold does not apply.

Consultants associated with Educational Institutions. The maximum rate of compensation that will be allowed is the consultant's academic salary projected for 12 months, divided by 260. These individuals normally receive fringe benefits which include sick leave for a full 12-month period even though they normally only work nine months per year in their academic positions.

Consultants Employed by State and Local Governments. Compensation for these consultants will only be allowed when the unit of government will not provide these

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services without costs. If a state or local government employee is providing services under a Federal grant and is representing their agency without pay from their respective unit of government, the rate of compensation is not to exceed the daily salary rate for the employee paid by the unit of government. If the State or local government employee is providing services under a Federal grant and is not representing their agency, the rate of compensation is based on the necessary and reasonable costs principles.

Consultants Employed by Commercial and Not-For-Profit Organizations. These organizations are subject to competitive bidding procedures. Thus, they are not subject to the \$450 per day maximum compensation threshold before requesting prior approval. In those cases where an individual has authority to consult without employer involvement, the rate of compensation should not exceed the individual's daily salary rate paid by his/ her employer, subject to the \$450 limitation.

Independent Consultants. The rate of compensation for these individuals must be reasonable and consistent with that paid for similar services in the marketplace. Compensation may include fringe benefits. In summary, consultants obtained through competitive bidding do not require prior approval, including individual consultants.

- g. **Interest Expense.** Interest on debt incurred for: (a) acquisition of buildings and equipment; (b) building construction; (c) fabrication; (d) reconstruction; and (e) remodeling is an allowable cost with prior approval. This interest applies only to buildings completed on or after 10/1/80 for State and local units of government and 9/29/95 for non-profit organizations.
- h. **Foreign Travel.** Direct charges for foreign travel costs are allowable only when the travel has prior approval of the awarding agency. (Indirect charges for foreign travel are allowable without prior approval of the awarding agency when: (a) included as part of a Federally approved indirect cost rate; and (b) such costs have a beneficial relationship to the project. Each separate foreign trip must be approved.)

Foreign travel is defined as any travel outside of Canada and the United States and its territories and possessions. However, for organizations located in foreign countries, the term "foreign travel" means travel outside that country.

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SECTION 15 – Unallowable Costs

1. Land Acquisition.

The funding legislation specifies that no Federal award involving the renting, leasing, or construction of buildings or other physical facilities shall be used for land acquisition. Accordingly, land acquisition costs are unallowable.

2. Compensation of Federal Employees.

Salary payments, consulting fees, or other remuneration of full-time Federal employees are unallowable costs.

3. Travel of Federal Employees

Costs of transportation, lodging, subsistence, and related travel expenses of awarding agency employees are unallowable charges. Travel expenses of other Federal employees for advisory committees or other program or project duties or assistance are allowable if they have been:

- a. Approved by the Federal employee's Department or Agency; and
- b. Include as an identifiable item in the funds budgeted for the project or subsequently submitted for approval.

4. Bonuses or Commissions

The recipient or sub-recipient is prohibited from paying any bonus or commission to any individual or organization for the purpose of obtaining approval of an application for award assistance. Bonuses to officers or board members of profit or non-profit organizations are determined to be a profit or fee, are unallowable.

5. Military-Type Equipment

The costs for such items as armored vehicles, explosive devices, and other items typically associated with the military arsenal, excluding automatic weapons, are unallowable. Exceptions MAY be made by the awarding agency upon written request and justification from the recipient.

6. Lobbying

All recipients and sub-recipients must comply with the provisions of the government-wide Common Rule on Restrictions on Lobbying, as appropriate. Refer to Part II, Chapter 1, (Application Process), for more specifics about those provisions.

In addition, the lobbying cost prohibition applicable to all recipients of funding includes the following:

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No funds may be used for purposes of:

- a. Attempting to influence the outcome of any Federal, State, or Local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activities;
- b. Establishing, administering, contributing to, or paying for the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcome of elections.
- c. Attempting to influence: (a) the introduction of Federal or State legislation; (b) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity), or with any government official or employee in connection with a decision to sign or veto enrolled legislation.
- d. Publicity or propaganda purposes designed to support or defeat legislation pending before legislative bodies;
- e. Paying, directly or indirectly, for any personal service, advertisement, telegram, letter, printed or

7. Fund Raising

Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, may not be charged either as direct costs or indirect costs against the award. Neither the salary of persons engaged in such activities nor indirect costs associated with those salaries may be charged to the award, except insofar as such persons perform other fund related activities.

An organization may accept donations (i.e., goods, space, services) as long as the value of the donations is not charged as a direct or indirect cost to the award.

A recipient may also expend funds, in accordance with approved award terms, to seek future funding sources to “institutionalize” the project, but not for the purpose of raising funds to finance related or complementary project activities.

Nothing in this section should be read to prohibit a recipient from engaging in fund raising activities as long as such activities are not financed fir Federal or non-Federal award funds.

8. Corporate Formation.

The cost for corporate formation may not be charged either as direct or indirect costs against the award.

9. State and Local Sales Taxes

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These are unallowable when the government assess taxes upon itself or, disproportionately, to Federal programs. An example of an unallowable tax would be if the government levied taxes as a result of Federal funding. An example of an allowable tax would be user taxes, such as gasoline tax. These provisions become effective as of the government's fiscal year beginning on or after January 1, 1998.

10. Conferences and Workshops

Unallowable costs include:

- Entertainment;
- Sporting events;
- Visa fees;
- Passport charges;
- Tips;
- Bar charges/Alcoholic beverages; and
- Laundry charges.
- Laundry costs in excess of Federal per diem. For events of 30 or more participants that are funded with an OJP award, if lodging costs exceed the Federal per diem, none of the lodging costs are allowable, effective January 1, 2001.

11. Costs Incurred Outside of the Project Period.

Any costs that are incurred either before the start of the project period or after the expiration of the project period are not allowable.

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SECTION 16: Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. The cost of operating and maintaining facilities, depreciation, and administrative salaries are examples of the types of costs that are usually treated as indirect.

1. Approved Plan Available.

- a. The awarding agency may accept any current indirect cost rate or allocation plan previously approved for a recipient by any Federal awarding agency on the basis of allocation methods substantially in accordance with those set forth in the applicable cost circulars.
- b. Where the approved final indirect cost rate is lower than the actual indirect cost rate incurred, recipients may not charge expenses included in overhead pools (e.g., accounting services, legal services, building occupancy and maintenance, etc.) as direct costs.
- c. Organizations with an approved indirect cost rate, utilizing total direct costs as the base, usually exclude contracts under awards or corporation agreements from any overhead recovery. The negotiation agreement will stipulate that major subcontractors are excluded from the base for overhead recovery. The term subcontract means any contract awarded under the award or corporation agreement.

2. No Approved Plan.

If an indirect cost proposal for recovery of actual indirect costs is not submitted to the cognizant Federal agency within three months of the start of the award period, indirect costs will irrevocably lost for all months prior to the month that the indirect cost proposal is received. This policy is effective for all awards.

Exception: If the Office of Management and Budget (OMB) has not assigned a Federal agency with cognizance for a local jurisdiction, then the unit of government is not required to submit its indirect cost proposal, unless the new cognizant agency (based on preponderance of Federal dollars) requires a copy of the proposal.

3. Establishment of Indirect Cost Rates.

- a. In order to be reimbursed for indirect costs, a recipient must first establish an appropriate indirect cost rate. To do this, the recipient must prepare an indirect cost rate proposal and submit it to the cognizant Federal agency. The Cognizant Federal agency is generally determined based on the preponderance of Federal dollars received by the recipient.
- b. Local units of government need only submit their cost allocation plans and indirect cost proposals, if specifically requested by their cognizant Federal agency assigned by OMB.

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- c. The proposal must be submitted in a timely manner (within six months after the end of the fiscal year) to assure recovery of the full amount of allowable indirect costs. The proposal must be developed in accordance with principles and procedures appropriate to the type of institution involved.
- d. To support the indirect cost proposal, Federal recipients are responsible for insuring that independent audits of their organizations are conducted in accordance with existing Federal auditing and reporting standards set forth in OMB Circular A-133. This audit report must be submitted to the cognizant agency to support the indirect cost proposal. After negotiations, the cognizant agency will establish either a predetermined, provisional, final, or fixed-with-carry-forward indirect cost rate.
- e. A signed certification from the grantee organization requesting an indirect cost rate must accompany the indirect cost allocation plan. This organization must certify that the indirect cost allocation plan only includes allowable costs.
- f. Copies of brochures of indirect cost rates that may describe the procedures involved in the computation may be obtained from the U.S. Superintendent of Documents, United States Government Printing Office, Mail Stop: SSOP, Washington, DC 20402-9328.
 - OASC-1 (Rev) – A guide for Colleges and Universities, Cost Principles and Procedures for Establishing Indirect Cost Rates for Research Awards with the Department of Health, Education and Welfare.
 - OASMB-5 (Rev) – A Guide for Non-Profit Institutions, Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Awards with the Department of Health, Education, and Welfare.
 - ASMB C-10 – A Guide for State, Local, and Indian Tribal Governments, Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government.

4. Cost Allocation Plans – Central Support Services

State agencies and local units of government may not charge to an award the cost of central support services supplied by the State or local units of government except pursuant to a cost allocation plan approved by the cognizant Federal agency. The rate that is to be applied may be on a fixed, predetermined, or fixed-with-carry-forward provision.

5. Lobbying Costs and the Indirect Cost Pool.

When an organization seeks reimbursement for direct costs, total lobbying costs shall be separately identified in the indirect cost rate and thereafter treated as other unallowable activity costs in accordance with the above procedures and Attachment A of OMB Circular A-122.

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- a. Organizations shall submit, as part of their annual indirect cost rate proposal, a certification that the requirements and standards have been complied with.
- b. Organizations shall maintain adequate records to demonstrate that the determination of costs as being allowable or unallowable pursuant to Attachment B of OMB Circular A-122 complies with the requirements of the Circular.
- c. Time logs, calendars, or similar records shall not be required to be created for purposes of complying with this section during any particular calendar month when:
 - a. The employee engages in lobbying, as defined above;
 - b. Twenty-five percent or less of the employee's compensated hours of employment during that calendar month constitutes lobbying as defined above; and,
 - c. Within the preceding five-year period, the organization has not materially misstated allowable or unallowable costs of any nature, including legislative lobbying costs.
- d. When conditions (a) and (b) above are met, organizations are required to establish records to support the allowability of claimed costs in addition to records already required or maintained. Also, when conditions (a) and (b) above are met, the absence of time logs, calendars, or similar records will not serve as a basis for disallowing costs by contesting estimates of lobbying time spent by employees during a calendar month.

6. Approving Rates for Sub-Recipients.

This is the responsibility of the direct recipient (CTED). The Federal-awarding agency will not approve indirect costs rates beyond the direct recipient level.

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SECTION 17 – Contract Closeout

1. Closeout of Formula/ Block Awards.

The timeframe for closeout of formula/ block grant awards is 120 days from the end of the grant for funds returned to the OJP by CTED. Cash disbursement and recipient expenditures must be reconciled before closeout. For sub awardees, contractors and sub-contractors of CTED, funds must de-obligated not later than 30 days after the end of the performance period of the contract. CTED will also provide notice to closeout contracts with a letter of instruction and forms for the funded entity to complete and return to CTED, certifying the balance of funds and that they are de-obligated (closed out).

2. Refund of Federal Grant Monies and/ or Program Income at Closeout.

If funds must be returned at grant closeout, recipients should remit their check with a cover letter indicating the breakdown of Federal grant monies and/ or program income being returned to the Office of Justice Programs.

The final SF 269 initiated by CTED to OJP should report the amount of federal monies returned on line 10 (i) (Unobligated balance of federal funds) and any unexpended program income returned in Box 12 (f). CTED contractors funded with OJP monies must complete the three documents contained in their Closeout Notification letter initiated by CTED. Samples of the letter and three enclosures may be viewed at Chapter 6, Forms 12 through 15 of this document. The three enclosures are: (1) Form 1 – Actual Cost Statement – Federal Funds Only; (2) Actual Cost Statement – Match Funds Only, and; (3) Form 3 – Equipment Inventory.

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SECTION 18 – AUDIT REQUIREMENTS

This chapter establishes responsibilities for the audit of organizations receiving agency funds. The intent of this chapter is to identify the policies for determining the proper and effective use of public funds rather than to prescribe detailed procedures for the conduct of an audit.

1. AUDIT OBJECTIVES

Awards are subject to conditions of fiscal, program, and general administration to which the recipient expressly agrees. Accordingly, the audit objective is to review the recipient's administration of funds and required non-federal contributions for the purpose of determining whether the recipient has:

- a. Established an accounting system integrated with adequate fiscal and management controls to provide full accountability for revenues, expenditures, assets, and liabilities. This system should provide reasonable assurance that the organization is managing Federal financial assistance programs in compliance with applicable laws and regulations.
- b. Prepared financial statements which are presented fairly, in accordance with generally accepted accounting principles.
- c. Submitted financial reports (which may include Financial Status Reports, Cash Reports, and Claims for Advances and Reimbursements), which contain accurate and reliable financial data, and are presented in accordance with the terms of applicable agreements.
- d. Expended Federal funds in accordance with the terms of applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or the awards tested.

2. AUDIT REPORTING REQUIREMENTS

Independent auditors should follow the requirements prescribed in OMB Circular A-133.

If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to recipient management officials above the level of involvement. The recipient, in turn, shall promptly notify the cognizant Federal agency of the illegal acts or irregularities and of proposed and actual actions, if any.

All awarding agency personnel have the responsibility to inform the OJP's Office of the Comptroller, DOJ's Office of Professional Responsibility, the Office of Inspector General, and State and local law enforcement agencies or prosecuting authorities, as appropriate, of any known violations of the law within their prospective area of jurisdiction.

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Audit costs for audits not required or performed in accordance with OMB Circular A-133 are unallowable. If the grantee did not expend \$500,000 or more in Federal funds in this fiscal year, but contracted with a Certified public accountant to perform an audit, these costs may not be charged to the grant.

3. FAILURE TO COMPLY

Failure to have audits performed as required may result in the withholding of new discretionary awards and/ or withholding of funds or change in the method of payment on active grants.

4. AUDIT THRESHOLD

- a. Non-Federal (state and local) entities that expend \$500,000 or more in Federal funds (from all sources including pass-through sub-awards) in the organization fiscal year (12-month turnaround reporting period) shall have a single organization-wide audit conducted in accordance with the provisions of OMB Circular A-133.
- b. Non-Federal entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements for that year. Records must be available for review or audit by appropriate officials including the Federal agency, pass-through entity, and General Accounting Office (GAO).

5. RESOLUTION OF AUDIT REPORTS

Timely action on recommendations by responsible management officials is an integral part of the effectiveness of an audit. Each recipient shall have policies and procedures for responding to audit recommendations by designating officials responsible for:

- a. Follow up;
- b. Maintaining a record of the action taken on recommendations and time schedules for completing corrective action
- c. Implementing audit recommendations;
- d. Submitting periodic reports to the cognizant Federal audit agency on recommendations and actions taken; and
- e. Providing an audit special condition on all sub-awards. This special condition contains information, such as the audit report period, required audit report submission date, and name and address of cognizant Federal agency. The policy of the awarding agency is not to make new awards to applicants who are not in compliance with the audit requirements.

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The awarding agency monitors the audit requirements through its audit tracking system and is responsible for tracking reports received through the audit process until resolved and closed.

6. TOP TEN AUDIT FINDINGS

1. Untimely report submission;
2. Lack of documentation;
3. Inadequate monitoring of sub-recipients;
4. Inadequate time/effort reports;
5. Inaccurate reports (Financial Status Reports);
6. Commingling of funds;
7. Excess cash on hand;
8. Unallowable costs;
9. Inappropriate charges; and
10. Conflicts of Interest.

7. AUDITS OF SUBRECIPIENTS

When subawards are made to another organization or organizations, the recipient shall require Subrecipients to comply with the audit requirements set forth in this chapter.

Recipients* (see Chapter 5) are responsible for ensuring that subrecipient audit reports are received and for resolving any audit findings. Known or suspected violations of any law encountered during audits, including fraud, theft, embezzlement, forgery, or other serious irregularities, must be communicated to the recipient, by the Subrecipient* (see Chapter V).

For Subrecipients who are not required to have an audit as stipulated in OMB Circular A-133, the recipient is still responsible for monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administered Federal awards in compliance with Federal requirements.

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SECTION 19 – Monitoring

1. Monitoring Function.

The monitoring function is an appraisal activity established for the review of Grant management and its oversight, and to provide objective advice to the State Office of Justice Programs (OJP) Administrative Agency (SAA) Representative on areas for improvement. The objective of Grant Monitoring is to ensure compliance to federal, state and local law, regulations and rules for the contracting of federal and state grant funds.

2. Monitoring Defined.

Monitoring is defined as any planned, ongoing or periodic activity which reviews, observes, tests, evaluated, reports or ensures contractor compliance with the terms, conditions, and requirements of a contract. It is the act of examining and analyzing a contractor's performance, documenting the work, performance, or outcomes in accordance with the contract. It must be documented in the official contract file.

3. Monitoring Plan

A Contract Monitoring Plan is a specific monitoring method appropriate to a particular contract based upon the level of risk and the contract manager's professional judgment. It defines the activities to be completed for the individual contractor:

- Onsite Review
- Desk review
- Review of required audits and reports.

It identifies the tools to measure and assess contract performance and compliance.

- Onsite Monitoring Forms
- Quarterly/Periodic Progress Reports
- Audits
- Reports
- Program documentation.
- Working File Documentation.

Identifies the process for collecting monitoring activity information the individuals responsible for the monitoring process, and can also enable SDFC Management Team to assess the contract management resources necessary to ensure adequate oversight.

The monitoring function provides the following.

Monitors Compliance:

- Develops a systemic approach to monitor contractor's compliance with state and federal legal requirements and policies.
- Develops a systemic approach to monitor compliance with CTED policies and Procedures.

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- Develops internal controls and management tools designed to ensure compliance with these policies, plans, procedures, laws, regulations, and contracts.
- Reports on whether the controls are adequate, effective and are working as designed.
- Makes recommendations to responsible parties, the SAA, the CTED/SDFC Management Team, and the Managing Director of SDFC on areas of improvement.
- Isolate problem areas and provide means for corrective action before the problem affects operational efficiency.
- Reviews sub-grant operations or programs to ascertain whether results are consistent with established goals and objectives and whether the operations or programs are managed according to plan. It allows CTED to assist the contractor in making progress towards the expected results and outcomes of the contract.
- Coordinates and/ or conducts an annual risk assessment requirement as outlined in OFM and CTED policies and procedures, and required risk assessments of subcontractors/sub-awards.

Coordinates Monitoring visits, Corrective action, Follow-up, and Reporting

- Is the lead for OJP awards for which CTED is the designated SAA in Washington State.
- Provides the Staff and Program contacts for the State Auditors Office for Single State Audits as scheduled for the annual audit.
- Provides the central coordinating point for Program related actions, working files and documentation and federal program monitoring and OFM contracting audits.
- Monitors implementation of corrective actions related to findings, exit items or management letter items or management letter items on necessary corrective actions.

Conducts Program Monitoring Activities.

Management systems of sub-awardees and sub contractors need to be monitored to assess the quality of their performance over time. Assessment is accomplished through on going monitoring activities, separate evaluations, or a combination of the two. On going monitoring occurs in the course of operations, including regular management and supervisory activities and other action personnel take in performing their duties. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Deficiencies should be reported upstream, with serious matters reported to top management.

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CTED monitoring of sub awardees and sub contractors will be based upon the following principals which constitute desired a management control system. It is expected that organizations and individuals funded by CTED through federal awards will incorporate these components into its planning efforts and daily activities for all projects or programs derived. This will likely avoid unnecessary costs; make quick responses as needs arise; and adapt to decreasing resources and changing political and economic climates.

- **Control Environment** – sets the tone of an organization. It is the foundation for all other components. It provides discipline and structure. It is comprised of the factors of integrity, ethical values, and competence of the entity’s staff; management’s philosophy and operating style; the way management assigns authority and responsibility; the way management organizes and develops its staff; and the attention and direction provided by the authorizing board, committee, commission, authority, etc.
- **Risk Assessment** - Every entity faces a variety of risks from external and internal sources, all of which must be assessed. A precondition to risk assessment is establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks to achieving the objectives and forms a basis for determining how the risks should be managed. CTED will develop and implement a risk assessment methodology for determining the priority for monitoring sub awardees and sub contractors. CTED will publish the outcome of the risk assessment as its schedule of monitoring funded entity’s for each contract year.
- **Control Activities** – are the policies and procedures that help ensure management directives are carried out. They help ensure necessary actions are taken to address risk to achieving the entity’s objectives. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, review of operating performance, security of assets, and segregation of duties.
- **Information and Communications** – Pertinent information must be identified, captured, and communicated in a form and time frame that enables people to carry out their responsibilities. Information systems produce reports containing operational, financial, and compliance-related information, making it possible to run and control the entity. Information systems deal with internally generated data and with external events, activities, and conditions necessary to both informed business decision-making and external reporting. Effective communication also must occur flowing down, across, and up the organization. All personnel must receive from Top Management a clear message that control responsibilities must be taken seriously. All personnel must understand their own role in the management control system, as well as how individual activities relate to the work of others. Additionally, staff members must have the means of communicating significant information upstream. Effective communications with their sub-entities such as customers, suppliers, regulators, and stakeholders, is essential also.

Control activities and procedures should be considered to ensure the organization is in compliance with the State Administrative & Accounting Manual, the Revised Code of

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Washington, The Code of Federal Regulations, the Washington Administrative Code and other applicable regulatory policies. Sub awardees and sub grantees must be in compliance with the terms and conditions of their particular contracts, particularly with the conditions and special conditions pass-through from the federal awarding agency (in this case, the Office of Justice Programs). Generally, these activities and procedures may be categorized into one of the following areas and completed by personnel at various levels:

- Performance Reviews – should be made of actual performance versus budgets, forecasts, and performance in prior periods, and/ or initiatives should be tracked and management actions taken to analyze and follow up where appropriate.
- Direct Functional or Activity Management Reviews – Performance reviews should be made of specific functions or activities. The reviews may focus on compliance, financial, or operational issues.
- Information Processing – A variety of control activities should be performed to check the accuracy and completeness of information as well as the authorization of transactions. Development of new systems, and changes to existing ones should be controlled. Additionally, access to programs and data should be restricted.
- Physical Controls – Equipment, inventories, securities, cash, and other assets should be secured physically, and periodically counted and compared with amounts shown on control records.
- Performance Indicators – Certain operating results can be anticipated. By investigating unexpected results or unusual trends, circumstances that jeopardize the achievement of objectives can be identified.
- Segregation of duties – among different people reduces the risk of error or inappropriate actions. For example, responsibilities for authorizing transactions, recording them and handling the related assets should be separated.

When CTED determines to conduct an on-site monitoring of a sub-recipient, sub-contractor or sub-awardee, CTED will notify the intended organization through it's designated point-of-contact, of the selection and intent to monitor. The correspondence should include the date, location(s) and purpose of the on-site visit and the specific program to be monitored by CTED staff. Included should also be the names of the persons to be present and the timing of those visits (an itinerary) as well as which specific areas each member will be responsible for reviewing.

CTED will perform activities to measure the outcomes of your grant activities and track the effectiveness of your strategies and implementation. CTED will look at linking meaningful performance measures to your budget and will review grant activities ensure that they are aligned with your agency's mission and strategic goals.

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Upon completion of the monitoring visit, CTED will generate and forward a letter to the grant recipient monitored within 30 days of the completion date of the monitoring visit to report the results of the visitation. In the event that additional information is to be submitted by the grant recipient, an interim memorandum stating the current status of the monitoring will be provided to the grant recipient.

If there is a finding of non-compliance, or significant concerns noted during the monitoring visit, it will be noted in CTED's status-feedback letter. The grant recipient will respond within 30 days with clarification, or by developing a corrective action plan.

If a grant recipient does not respond within 30 days, payment may be withheld until the issue is resolved. Significant non-compliance findings not addressed by a corrective action plan, or recurring compliance findings, are grounds for contract termination.

4. SDFC GENERAL CONTRACT MONITORING POLICY:

Requires Each Program Manager to:

- Develop a Contract monitoring policy/procedures consistent with CTED Administrative Policy.
- To identify staff who will perform program risk assessments.
- To develop contract monitoring and risk assessment tools used for individual contracts and or contractors.
- To identify staff who will perform individual contract risks assessments and monitor the contracts.
- To ensure that employees who monitor contracts are trained and have access to appropriate information.
- Monitor contractor performance through use of:
 - MIS systems such as ADDS and the SDFC MIS.
 - Periodic program and progress reports
 - Onsite inspections with program and fiscal procedures
 - Specific activities tied to the contract Statement of Work.
 - Review and approval of Invoices received for payment.
 - Review of on-going audits for vendors and sub recipients

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5. CONTRACT MONITORING GUIDELINES

- OFM – SAAM 16.10 – Client Service Contracting:
<http://www.ofm.wa.gov/policy/16.10.htm>
- OFM Client Service Contracting Guide:
<http://www.ofm.wa.gov/Contracts/csg/csg.htm>
- OFM – SAAM 15 – Personal Services Contracts:
<http://www.ofm.wa.gov/policy/15.htm>
- OFM Personal Service Contracting Guide:
<http://www.ofm.wa.gov/contr.0acts/psc/psctoc.htm>
- OFM – SAAM 50.30 – Compliance with Federal Single Audit Act:
<http://www.ofm.wa.gov/policy/50.30.htm>
- CTED Administrative Policy:
- SDFC Unit Monitoring Risk Assessment and Monitoring:

6. ADDITIONAL RESOURCES:

- Federal Audit Clearinghouse (Single Audit Website):
<http://harvester.census.gov/sac>
- OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations:
<http://www.whitehouse.gov/wh/eop/omb/circulars/a133/a133>
- A-133 Compliance Supplement. Appendix B Circular A-133:
<http://www.whitehouse.gov/omb/circulars/a133compliance/98toc>
- State Auditor's Office Website:
<http://www.sao.wa.gov/>
- CTED Contracting Policy
- CTED Audit Policy
- SDFC Unit Risk Assessment Worksheet (2 pages).

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CHAPTER V – GLOSSARY OF TERMS

NO.	Term	Definition
1	Administrative requirements	Are set forth at 28 CFR Part 66 for State and local units of government and 28 CFR Part 70 for non-governmental organizations.
2	Awarding Agency	Is the Federal government or the next highest authority, i.e., the State Agency administering the award.
3	Awards	May include funding mechanisms, such as grants, cooperative agreements, inter-agency agreements, contracts, and other agreements.
4	Block/ Formula awards	Are awarded to the States to provide assistance to State and Local units of government for programs in accordance with legislative requirements.
5	Budget Period	Is the period for which a budget is approved for an award. The budget period may be equal to or shorter than the project period for an award, but cannot be longer than the project period.
6	Closeout	Is a process in which the awarding agency determines that all required work of the award have been completed by the recipient and the awarding agency.
7	Cognizant Federal Agency	Is the Federal agency that generally provides the most Federal Assistance to the recipient of funds. Cognizance is assigned by the Office of Management and Budget (OMB). Cognizant agency assignment for the largest cities and counties are published in the Federal Register. The most recent publication was dated January 6, 1986.
8	Contracts	Are entered into by the awarding agency, recipients or sub-recipients, and commercial (profit-making) and non-profit organizations. With the exception of a few justified sole-source situations, contracts are awarded via competitive processes to procure a good or service.
9	Cooperative Agreements	Are awarded to States, units of local government, or private organizations at the discretion of the awarding agency. Cooperative agreements are utilized when substantial involvement is anticipated between the awarding agency and the recipient during performance of the contemplated activity.

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NO.	Term	Definition
10	Equipment	Is tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A recipient/ sub-recipient may use its own definition of equipment provided that such definition would at least include all equipment defined above.
11	Federal grantee	Means the component of a State, local, or federally recognized Indian tribal government, educational institution, hospital, or a for-profit organization responsible for the performance or administration of all or some part of a federal award. See OMB Circular No. A87, Attachment A; OMB Circular No. A-110, Attachment A.
12	Focus group	Means a gathering of government employees to discuss results and improvements of programs in the field. The focus group should follow a prepared agenda, be led by an expert in the subject matter, and serve to educate the government employees.
13	Formal Agenda	Provides a list of all activities that shall occur during the event, using an hour-by-hour time line. It must specifically include the times during the event when food and beverages will be provided.
14	Grants	Are awarded to States, units of local government, or private organizations at the discretion of the awarding agency or on the basis of a formula.
15	High risk	Is a determination made by the awarding agency of a recipient's ability to financially administer Federal project funds. Additional reporting requirements are imposed on high-risk recipients.
16	Interagency agreements	And purchase of service arrangements are usually entered into by two governmental units or agencies. Such funding arrangements are negotiated by the entities involved.
17	Match	Is the recipient share of the project costs. Match may be either "in-kind" or "cash". In-kind match includes the value of donated services. Cash match includes actual cash spent by the recipient and must have a cost relationship to the Federal award that is being matched.

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NO.	Term	Definition
18	Non-expendable personal property	Includes tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A recipient may use its own definition of non-expendable personal property provided that the definition would at least include all tangible personal property as defined.
19	Obligation	Means a legal liability to pay under a grant, sub-grant, and/ or contract determinable sums for services or goods incurred during the grant period.
20	Pass-through	Is an obligation on the part of the State (CTED) to make funds available to units of local governments, combinations of local units, or other specified groups or organizations.
21	Pre-agreement costs	Are defined as those costs which are considered necessary to the project but occur prior to the starting date of the award period.
22	Prior approval	Means written approval by the authorized official (the next highest authority except for sole-source) evidencing consent prior to a budgetary or programmatic change in the award.
23	Program Income	Means gross income earned by the recipient during the funding period as a direct result of the award. Direct result is defined as a specific act or set of activities that are directly attributable to grant funds and which are directly related to the goals and objectives of the project. Determinations of “direct results” will be made by the CTED for recipients. Fines and penalties are not considered program income. Program income may be used only for allowable program expenses.
24	Project period	Is the period for which implementation of a project is authorized. The project period may be equal to or longer than the budget period for an award, but cannot be shorter than the budget period.
25	Purchase of Evidence (P/E)	Is the purchase of evidence and/ or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps, etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.

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NO.	Term	Definition
26	Purchase of Services (P/S)	Includes travel or transportation of a non-Federal officer or an informant; the lease of an apartment, business front, luxury-type automobiles, aircraft or boat, or similar effects to create or establish the appearance of affluence; and/ or meals, beverages, entertainment, and similar expenses (including buy money and flash rolls, etc.) for undercover purposes, within reasonable limits.
27	Purchase of Specific Information (P/I)	Includes the payment of monies to an informant for specific information. All other informant expenses would be classified under P/S and charged accordingly.
28	Real Property	Means land, land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment.
29	Reasonable	Means those costs which a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made. Costs to consider when making judgments about reasonableness include the costs of food and beverage, total cost of the event, and costs incurred relative to costs in the geographical area. The exception to this definition is lodging costs for events of 30 or more participants, when the event is funded with an OJP award. For these events, reasonable is defined as the Federal per diem rate for lodging.
30	Recipient	Is an individual and/ or organization that receives Federal financial assistance directly from the Federal agency. In this guide, it refers to CTED as the State Administering Agency.
31	Sub-recipient	Is an individual and/ or organization that receives Federal financial assistance from the direct recipient of Federal funds. This may include entities receiving funds as a result of Block or formula awards.
32	Supplanting	Is to deliberately reduce State or local funds because of the existence of Federal funds.
33	Work related event	Is a conference or meeting involving a topical matter of interest within the purview of the agency's mission and function.
34	Case	In context with NTF terminology, the definition of a case consists of the following five elements that have to be present to constitute a case:

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		<ol style="list-style-type: none"> 1. Resource investment (time or money) 2. Investigative activity 3. Case number is assigned 4. Case management responsibility exists 5. Asset sharing agreement is in-place with another agency or task force.
35	Cases (types)	<p>Again, in context with NTF terminology, aa case may be categorized as either of three types:</p> <ol style="list-style-type: none"> 1. Joint lead 2. Joint (not lead) 3. Non-Joint.

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CHAPTER VI – FORMS

Sample Form Number	Form Title/Name
Sample Form # 1a	Application Face Sheet
Sample Form # 1b	Contract Face Sheet
Sample Form # 1c	Interagency Agreement Budget Statement
Sample Form # 2a	Application Budget Detail Worksheet
Sample Form # 2b	Contract Detail Budget Worksheet
Sample Form # 2c	Interagency Agreement Budget Narrative
Sample Form # 3	Signature Authorization Form
Sample Form # 4	National Environmental Policy Act (NEPA) Form
Sample Form # 5	Application Contacts Form
Sample Form # 6	Points-of-Contact Form
Sample Form # 7	Equal Employment Opportunity Plan (EEOP) Certification Form
Sample Form # 8	Civil Rights Requirements Form
Sample Form # 9	Statement of Assurances Form
Sample Form # 10	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions Form
Sample Form # 11	Certification Regarding Lobbying, Debarment, Suspension and Other Responsibility Matters; And Drug-Free Workplace Requirements form
Sample Form # 12	Sample Letter: Program Closeout Packet (federal funds)
Sample Form # 13	Enclosure to Ltr: Actual Cost Statement – Federal Funds Only
Sample Form # 14	Enclosure to Ltr: Actual Cost Statement – Match Funds Only
Sample Form # 15	Enclosure to Ltr.: Equipment Inventory form

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Contractor Name:		Contract #		Start Date		End Date	
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Personal Service: ☐

Client Service: ☐

Purchase Service: ☐

Indian Nation: ☐

Instructions:

1. Only enter the risk value next to the risk factor if it pertains to this contractor and contract
2. Add the risk values and enter the total score below.
3. Using the scoring system to the right, place ("X") in the appropriate box below indicating risk level
4. Place ("X") in appropriate box indicating if assessment is for screening purposes, initial or revised.
5. Then place ("X") in the box corresponding to the appropriate monitoring plan at bottom of form.

CONTRACTOR RISK FACTORS & ASSIGNED RISK VALUES	RISK VALUE (1-3)	POSSIBLE RESPONSE STRATEGIES (Possible Action Steps in a Monitoring Plan)
New Contractor (2)		If new, determine whether agency staff and contractor staff maintain sufficient understanding of the rules. May expand planned technical assistance.
No CTED site visit in past 2-Years (2)		Conduct site visit within 90 days. If multiple funding, contact other contracting sources to determine if they have monitored and the results.
Significant Staff turnover (> 25%) (1)		Has there been frequent/high turnover of contractor management, or key program personnel? Has the contractor experienced a recent rapid growth or downsizing? Has the contractor experienced reorganization within the last 12 months? Has the contractor changed major subcontractors recently? Assess what impacts these changes may have on the contract.
Unresolved client or agency complaints (3)		Determine if corrective action was taken & outcome. If possible, identify the nature of the complaints and whether contractually-based.
Recent (within 2-years) billing or audit findings (2)		Are audit findings resolved and new internal controls in place? Consider additional technical assistance, more frequent monitoring and requiring additional performance reports when approving invoices.
Past know performance problems (what is their performance history ?)		If performance history is poor, determine whether an alternative contractor would be appropriate. If not, plan on additional technical assistance to contractor and more frequent on-site monitoring, including (if needed) assistance in reporting delinquency issues.
Multiple funding sources (1) (is the contractor receiving additional funds for similar services?)		Identify other state contractors and program managers via CTED's Contract Management Section. Discuss Services with other program managers to determine risk of multiple payments for the same or similar services.
Dollar amount over \$100,000 (1)		Determine whether large and many state contracts enhances or detracts from sound fiscal systems, and the operations of the contractor.
Other Risk Factors (Explain and assign value): ()		
TOTAL SCORE:		= RISK LEVEL: LOW ____ MEDIUM ____ HIGH ____
Comments:		

Form Completed by: _____ Date: _____

Risk Assessment Type: Pre-Screening: ☐ Initial: ☐ Revised: ☐ Date of On-Site Review: _____

SCORING: 1 – 4 = Low 5 – 8 = Medium 9 or > = High

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GENERAL GUIDELINES

1. Risk assessment is conducted early in the process of contract development, and for many contracts, it is required at the time the Contract Package is submitted to SDFC Administrative staff for completion of a contract document.
2. Using the Risk Assessment Worksheet prior to contract development is an effective screening/ selection strategy for contract managers.
3. Risk assessment can be repeated at any time, especially when renewing or significantly altering a contract, or when new risk factors are identified and considered significant.
4. In determining the risk value, the contract monitoring staff's judgment may be a determining factor. If there are special circumstances which may elevate the value of any factor, or new factors are identified that do not appear on the list, use the "other Risk Factor" space to explain and assign a value.
5. Risk level ratings may be adjusted either up or down during the life of a contract.
6. Once the risk level is assigned, an appropriate monitoring plan must be developed & implemented.
7. While the risk level largely determines the type and frequency of monitoring method used, the contract type (i.e., client, personal, or purchased) may influence the monitoring plan, i.e., a purchased services janitorial contract(or) would not likely require an on-site review.
8. Each risk factor can be mitigated by some action or response by contract monitoring staff, either before or after the contract is executed. This action or response can take the form of training, technical assistance, special contract requirements/ conditions/ limitations.
9. Regardless of a contractor's risk level, contract staff are encouraged to provide technical assistance throughout the contracting process as an effective risk management strategy. Technical assistance can be combined with a desk, MIS or on-site monitoring activity.

A copy of the risk assessment monitoring plan, record of monitoring including findings, will be maintained with the contract.

POLICY & PROCEDURES GUIDE FOR CTED APPLICANTS AND SUBRECIPIENTS OF OJP FUNDING

APPENDIX: MONITORING TOOL SAMPLES

The following monitoring tools are examples of the SDFC tools used to collect and record monitoring activities by CTED staff of sub grantees and contractors and their subcontractors. Tools available are:

- Generic Monitoring Tool (All non-NTF programs and projects)
 - Cover dated: 6/04
 - Operations dated 6/04
 - Financial dated 6/04
 - Administrative dated 6/04

- Narcotics Task Force Monitoring Tool (Non-Peer Review Activities)
 - Cover dated 6/04
 - Administrative dated 6/04
 - Financial dated 6/04
 - Operations dated 6/04
 - Operations – WSP Worksheet dated 6/04
 - Management dated 6/04

- Interagency Agreement (with other state agencies) Monitoring Tool
 - Cover dated 6/04
 - Operations dated 6/04
 - Financial dated 6/04
 - Administrative dated 6/04
 - Statement of Work/ Deliverables dated 6/04

Forms for each set above are contained at CHAPTER VI, FORMS.

Form #	Title
1a	Application Face Sheet
1b	Contract Face Sheet
1c	Interagency Agreement Sheet
2a	Application Detail Budget Sheet (Contract Type)
2b	Application Detail Budget Sheet (IAG Type & PSC)
2c	Detail Budget Sheet – Contracts & IAG
3	Signature Authorization Form
4	National Environmental Policy Act (NEPA) Form
5	Contacts Form
6	Equal Employment Opportunity Plan Certification (EEOP)
7	Civil Rights Requirements Form
8	Statement of Assurances Form
9	Certification Regarding Debarement, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions From
10	Certification Regarding Lobbying, Debarement, Suspension and Other Responsibility Matters; And Drug-Free Workplace Requirements.
11	Program Close-Out Package – Federal (Sample letter)
12	Close-Out: Actual Cost Statement – Match Funds Only (Sample letter)
13	Close-Out: Equipment Inventory Form

**POLICY & PROCEDURES GUIDE FOR CTED
APPLICANTS AND SUBRECIPIENTS OF OJP FUNDING**

APPENDICES

APPENDICES

September 27, 2004

, Washington

Dear :

In order to close out the contracts for your Residential Substance Abuse Treatment Program Contract, No. - , you will find the enclosed Program Close-Out Packets.

The Program Close-Out Packet consists of the following:

Form 1: Actual Cost Statement – Federal Funds Only

Form 2: Actual Cost Statement – Match Funds Only

Form 3: Equipment Inventory

Please complete and return the Close-out Forms to the Department of Community, Trade and Economic Development (CTED) by **August 15, 2004**. Should any additional charges against this contract be found/processed by you after the June Reimbursement Report, a 'Final Reimbursement Report' should be submitted to CTED on or before August 15, 2004. Reimbursement vouchers and Final Reimbursement voucher requests submitted after August 15, 2004 will not be paid. The balance of your contract will be de-obligated and will no longer be available for disbursement.

If you have any questions or need further information, please contact me at (360) 725-3034 or by e-mail at harveyq@cted.wa.gov.

Sincerely,

J. Harvey Queen
Program Coordinator

JHQ:smw
Enclosures

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STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY, TRADE
AND ECONOMIC DEVELOPMENT

RESIDENTIAL SUBSTANCE ABUSE TREATMENT PROGRAM
CLOSE-OUT
FORM 1

ACTUAL COSTS STATEMENT

Contractor: _____

FEDERAL FUNDS ONLY

Contract

Number: _____

BUDGET CATEGORY	TOTAL EXPENDITURES PREVIOUSLY REPORTED	ACTUAL COSTS	BALANCE
Salaries	\$ _____	\$ _____	\$ _____
Benefits	\$ _____	\$ _____	\$ _____
Contracted Svcs.	\$ _____	\$ _____	\$ _____
Goods & Svcs.	\$ _____	\$ _____	\$ _____
Travel	\$ _____	\$ _____	\$ _____
Training	\$ _____	\$ _____	\$ _____
Equipment	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

=====

Actual Costs Statement: Follow the instructions below to complete forms "Federal Funds Only," Form 1; and "Match Funds Only," Form 2.

Total Expenditures Previously Reported Column: List the sum total of all expenditures submitted to CTED during the contract period. The total amount listed should equal the sum of lines 11 and 12 as submitted on your final FFY 2002 Residential Substance Abuse Treatment Program invoice voucher to CTED.

Actual Costs Column: List the total actual expenditures incurred during the contract period, up to the total contract amount. These figures may be different than those shown in the Total Expenditures Column because all costs may not have been invoiced correctly. List all figures, even if they are the same as those listed in the Total Expenditures Column.

Balance Column: Subtract the Actual Costs figures from the Total Expenditures figures and list any differences in the Balance Column. In most cases, these differences will equal zero.

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**STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY, TRADE
AND ECONOMIC DEVELOPMENT**

**RESIDENTIAL SUBSTANCE ABUSE TREATMENT PROGRAM
CLOSE-OUT
FORM 2**

**ACTUAL COSTS STATEMENT
MATCH FUNDS ONLY**

BUDGET CATEGORY	TOTAL EXPENDITURES PREVIOUSLY REPORTED	ACTUAL COSTS	BALANCE
Salaries	\$ _____	\$ _____	\$ _____
Benefits	\$ _____	\$ _____	\$ _____
Contracted Svcs.	\$ _____	\$ _____	\$ _____
Goods & Svcs.	\$ _____	\$ _____	\$ _____
Travel	\$ _____	\$ _____	\$ _____
Training	\$ _____	\$ _____	\$ _____
Equipment	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

=====

CERTIFICATION: I certify that the information provided on Forms 1, 2, and 3 is accurate and complete and that there are no outstanding requests for reimbursement under the FFY 2002 Residential Substance Abuse Treatment Program.

Contract No.: _____

Contractor: _____

Telephone Number: _____

Signature of Contact Person: _____

Contact Name (typed or hand printed) _____

Date: _____

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STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY, TRADE
AND ECONOMIC DEVELOPMENT

RESIDENTIAL SUBSTANCE ABUSE TREATMENT PROGRAM
CLOSE-OUT
FORM 3

EQUIPMENT INVENTORY:

RESIDENTIAL SUBSTANCE ABUSE TREATMENT PROGRAM

Federal Funding Source: DOJ/OJP/BJA RSAT Grant

Date of Purchase	Item Description	Ident./Serial Number and Location	Condition	Quantity	Unit Cost	Amount Paid with Federal Funds

TOTAL AMOUNT OF FEDERAL FUNDS EXPENDED TO PURCHASE EQUIPMENT: _____

CONTRACTOR: _____

CONTACT

NAME: _____

TELEPHONE #: _____ DATE: _____

Note: Should reflect equipment expenditures from forms 1 and 2.

- See next page for instructions -

APPENDICES

EQUIPMENT INVENTORY INSTRUCTIONS

A physical inventory must be taken of all equipment purchased with contract funds having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

DEFINITION OF TERMS

<u>Date of Purchase</u>	Month and year of purchase
<u>Item Description and Location</u>	Brand name and type of item (for example: Steelcase 4-drawer file) and where currently being used
<u>Identification Number</u>	Manufacturer's serial number(s), model number, and agency's inventory identification number(s)
<u>Condition</u>	G - Good, F - Fair, P - Poor (for replacement purposes, in the event of a loss)
<u>Quantity</u>	Number of items purchased
<u>Unit Cost</u>	Cost, per unit, at the time of purchase
<u>Amount Paid with Federal Funds</u>	The amount of the total cost paid with federal grant funds

TRANSFER OF INTEREST

Title to equipment acquired under the grant or subgrant will vest upon acquisition in the grantee or subgrantee, subject to the obligations and conditions set forth in 28 CFR Part 66, Section 32.

Equipment must be used by the contractor for the purposes for which it was acquired, whether or not the program continues to be supported by federal funds. Should the equipment no longer be needed for the original program purpose, the equipment may be used for other activities currently or previously supported by federal funds. In all other cases, equipment and title to equipment that is no longer used for the purposes for which it was acquired must be transferred to the state granting agency that originally funded the equipment purchase (CTED).